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MENACE OF COAL STRIKES DARKENS BUSINESS HORIZON

Trade Uncertainty Precedes Possible Walkout in Britain and States

UNEMPLOYMENT LESS

Labor Conditions Better Except in Coal Mining — Money Plentiful and Crops Still Promising

Business throughout the greater part of the Anglo-Saxon world is menaced by threats of gigantic strikes affecting the world's two largest coal mining federations. Great Britain is threatened with a general strike on July 31. In the United States, a walkout in the anthracite fields on September 1, attended possibly by a sympathetic bituminous strike, seems imminent. Canada has had two costly coal strikes on her hands for some months. Canadian business is naturally more directly affected by the latter, at the moment, but the prospect of strikes both in the American and British fields suggests a situation which business would not care to face.

Apart from the astounding cost of these strikes when they do come, there is always the costly business uncertainty which they occasion for months in advance of a decision. Our close trade relations with both countries make prospective strikes there a matter of profund concern to business here. Then again the prospect of a shutting off of the coal supply brings home to us the fact that we are dependent to a great extent upon coal from other countries, and that a sudden closing of the source of supply would paralyse industry from coast to coast. Fortunately there is some prospect that a truce betwen the disputants in Great Britain may be the means of averting the catastrophe of a general strike. There is also hope that present negotiations between the workers and operators in the Pennsylvania fields may be successful. It is the sincere hope of business that this may be the case, as the cost in business uncertainty and in actual loss, as far as Canada is concerned, is sufficiently great already.

Labor Conditions Otherwise Improve

Apart from the coal strikes, labor conditions in Canada are better than has been the case for some years. The volume of employment has shown a steady improvement since last December. Since the beginning of the year the percentage of employment according to the Bureau of Statistics has risen from 83.9 to 96.8 which is an improvement of approximately 13 per cent. This is a remarkable advance considering the adverse industrial factors. According to industrial leaders there seems to be a decided improvement in the morale of the workers, and there is less radical unrest in evidence. This seems to be due to the fact that general prices have fallen considerably farther than have wages, and the purchasing power of the labor group is higher than it has been since war times. One case is reported from the Maritime Provinces where the employees of a certain company volunteered to work overtime without pay in order to give the industry a chance to get properly started. It is evident that a spirit such as this practised for even a short space of time, throughout the country, would terminate our so-called depression in a few days. There are, of course, two sides to apply it.

A factor which is not affecting business in quite the way expected is the existence of a large amount of available funds for investment and for speculation. The experience of the security markets at the moment shows that there is plenty of money around. It is evident that no great percentage of it is going into business channels. This notwithstanding, it is remarkable that the volume of credit buying is greater than ever before. New schemes are coming forward every day whereby the public are offered time in the payment of some article or piece of property, and they are rising to the occasion. It would appear that funds are accumulating in a large way, and will be available to finance any business expansion which may be in prospect. Assuming the continuation of present favorable crop conditions, and the reaping of a harvest as at present indicated, there is a general feeling that conditions will be favorable for a material business expansion. It was the general feeling last year at this time that another good year would be necessary to provide the desired business stimulus. Such a year we are experiencing and with plenty of money available the stage seems to be set for better things when the reflex action from the grain crops is felt.

Port Alfred Company Purchases New Limits

MONTREAL.—The Port Alfred Pulp and Paper Company were the successful bidders at a sale of timber limits held by the province of Quebec this week. The limits purchased aggregate 1,500 square miles situated on the watershed of the Peribonka River and constitute one of the richest spruce areas remaining in the province; thus the company is assured of a perpetual supply of raw material for its mills.

Big Distribution of Cash in West August First

From Our Own Correspondent.

WINNIPEG.—Fifteen million dollars will be paid out to members of the International Wheat Pools before the first of August in the form of a second interim payment of 20 cents per bushel, basis No. 1 wheat, according to a statement issued by the president of the Canadian Co-operative Wheat Producers, Ltd.

With this distribution the total interim payments on account of the 1924 crop will amount to $1.44 per bushel. It is probable that the final payment will be made some time next month.

Owing to the volume of pool wheat which has been received during the last few weeks it was not considered advisable to close the 1924 pool before July 15. In the meantime the prospects of an early harvest made it necessary to arrange immediately for a substantial interim payment in order to provide pool farmers with funds to conduct their harvesting operations.

Grocery Merger Finally Closed

Thirty Million Dollar Turnover of Wholesale Houses in Big Food Merger

Negotiations for the merger of about thirty Ontario wholesale grocery houses, which was forecast in The Financial Post some months ago, were concluded this week and the merger is now definitely assured, according to information received by The Financial Post from good sources

The negotiations have been carried out chiefly by Marland Woolnough, of Niagara Falls, who may head the new firm as chairman of the board, with A. Foster, of Toronto, as general manager. A. C. Pyke now secretary of the Canadian Wholesale Grocers' Association, is expected to be secretary of the new company.

The firms entering the merger have a combined capitalization of about $7,000,000, and a yearly turnover of $30,000,000. They have been paid for their holdings partially in cash and partially in preferred stock of the new firm, which will be known as National Grocers, Limited.

It is understood that about half of the wholesale houses will be closed up as a result of the merger, and that other economies in the way of selling and distributing expenses will be effected.

It is likely that Chicago and Canadian investment houses together will float a bond issue to finance the cash purchases and to provide working capital.

Mr. Foster told The Financial Post that an announcement might be expected next week. He declined to confirm the present completion of the deal, saying negotiations were still on.

SHIP PROPOSALS TO WEST INDIES UNSATISFACTORY

Maritimes Fear Tenderers on All Year Service May Drop Out

From Our Own Correspondent.

HALIFAX. — While the clauses bearing on tariff adjustments in the recommendations of the conference with the representatives of the West Indies at Ottawa are generally regarded as satisfactory in the Maritimes, the same can hardly be said for the proposed arrangements in regard to steamship services. This does not refer to the proposed improved fortnightly passenger and freight service from the Maritimes to the Windward Islands and Demerara, with ships a fifth larger than the present ones, but to the second recommendation for an additional fortnightly service to run from Montreal in the summer and from Maritime ports in the winter.

What the Maritime people, who understand how such matters work out, fear is that, because of this second service from the Maritime Provinces during the winter months, no private company will be willing to tender on the all-year service mentioned. It is being pointed out that at the present time there is not enough freight to fill the Royal Mail ships of the present size now operating under government contract, either outward or homeward, and if the new ships are to be a fifth larger, the situation would be even more difficult.

Business men here are discussing the possibility that private steamship owners will be discouraged from tendering on the combined passenger and freight service, and the suggestion is made that this might suit the plans of the Canadian Government Merchant Marine, which would then be called upon to provide the entire service, for which it would have to construct new boats to accommodate passengers.

There is no disposition to object to Montreal having the necessary freight service for the period of open navigation on the St. Lawrence, but when it comes to putting these same steamers in competition with the Maritime ports' service during the winter months, it puts an entirely different complexion on the situation. The question is whether the private companies will care to tender on the service under these conditions.

U. S. RAILWAYS ASK FOR HIGHER RATES IN WEST

And They Are Already Higher Than Those in Canada

From Our Own Correspondent

OTTAWA.—The Canadian inquiry into railway rates, which has recently been started by the railway commission, is being paralleled by a similar investigation in the United States. The American probe starts with an announcement that might well be carefully noted in this country. The Interstate Commerce Commission is going to begin its task by tackling rates in Western territory, and it will have before it applications for higher rates from the railways.

Now, the significant point is this. The chief demand for lower rates in Canada comes from the prairies. The Western Canadian farmer has admittedly and distinctly lower rates than his United States competitor. Yet the American inquiry opens with a proposal to raise these rates that are already higher than those in force in Canada. It is true that the United States farmers are asking for a rate reduction; but they may get it and yet be paying higher rates than the Canadian prairie settler. But the remarkable feature of the situation is that the American railways should be asking to raise rates that are already higher than those in force in this country.

As a matter of fact, not only are Canadian western rates lower than rates in effect in the American west, but Canadian rates as a whole—throughout the Dominion—are lower than those paid over United States lines. The latest comparison available is for 1923. In that year the average receipts of the Canadian railways per ton mile were .987 cents; while on the railways of the United States the average ton mile receipts were 1.125 cents, which is about fourteen per cent. greater than the rate collected by the Canadian lines.

When the comparison is made with Great Britain, the charges levied by our railways look very small. During the year when the Canadian railways were collecting .987 cents for each ton carried one mile, the British railways were in receipt of 3.351 cents for the same service. In short, the English railways collected over three times as much as did the Canadian lines for carrying one ton of freight one mile. Canadian roads have some advantage, of course, in the longer average haul.

Crop Prospects Help Implement Companies

Considerable interest has recently been shown in the securities of the Massey-Harris, Sawyer-Massey and Cockshutt Plow Companies, in view of the prospects for a good crop in Western Canada and throughout the Eastern provinces as well. For some years these stocks have been neglected, and prices have slumped to low levels.

The benefits of good crops to the implement companies is indicated in the report of the International Harvester Company from Chicago. The Wall Street Journal says:

> Business for the past sixty days has been remarkably good. As the principal United States crops are pretty well out of danger and Canada seems in for a year of agricultural prosperity, Harvester this year should substantially better 1924 results, when net of $13,037,395 was equal after preferred dividend requirements of $4,230,564 to almost $9 a share on the 998,767 common shares.

Ogilvie Flour Shares Reach New High of 159

The strength of Ogilvie stock, which moved up this week to a new high of 159, has been the subject of much speculation. There was no evident reason for this in the state of the milling industry at the moment and there was a tendency to trace it to the strength of Smelters and Dominion Textile, of which Ogilvie is reported to be a large holder.

Large shipments of flour to the Orient, especially to China, have been made or ordered this week in Vancouver. It is stated that approximately 55,000 tons has been booked for North China ports. It is the assumption that this flour is for army purposes.

Employees to Work Overtime Without Pay to Get Business

ST. JOHN.—The employees of James Pender and Company, a subsidiary of the British Empire Steel Corporation, manufacturing nails and wire, have presented the management with a resolution, expressing their willingness to work overtime without pay in order to permit the company to compete with foreign manufacturers in export markets.

W. F. Knoll, manager of the company, explains that a few weeks ago word came that European firms were underbidding Canadian prices on account of the low rates of exchange in some of the export fields, and that difficulty was experienced in marketing the products from this country.

The matter was discussed at one of the council meetings between the management and employees, and a suggestion made that if the cost of production were cut sufficiently by free overtime work the local firm might be able to compete with foreign manufacturers.

The men asked for a few days to consider the proposition and on Monday returned with the announcement that they were prepared to try the experiment in order to hold the market for the company and thus keep the wheels turning in the regular hours of work.

The provision is made that should any profit accrue from the export business under this arrangement it will be shared between them and the employees on a 75-25 per cent. basis—the big end of the division going to the men.

It is planned that for a start the men will put in three extra hours every other evening. At the present time about 80 men are affected by the arrangement.

Thornton's $100,000 a Year

OTTAWA.—Lacking only official confirmation it is accepted here that an arrangement has been made with Sir Henry Thornton for a renewal of his contract as president of the Canadian railways with an increase in salary from $50,000 a year to $75,000 to $75,000 a year, with an expense allowance of $25,000—or practically $100,000 a year. One of Sir Henry's trump cards in the negotiations is said to have been a tentative offer of £15,000 a year to return to England. An advantage to him in the arrangement of $75,000 salary and $25,000 expenses will be that the latter portion will be exempt from income taxes.

While it is to be expected that some attempt will be made during the coming election to make political capital out of this big increase in salary, The Financial Post believes that the business community, which includes the larger taxpayers, will generally regard the sum of $100,000 as not being too big for the job. There may be some question, however, as to whether Thornton, who has shown marked ability as an organizer and business builder, has done everything that could have been expected of him in the way of reducing operating costs and expenditures on equipment and for other purposes.

The Canadian people should not begrudge Sir Henry Thornton $100,000 a year if he can work out the National Railway problem and relieve the taxpayers of a burden of more than $100,000,000 a year, which in six years, as pointed out by the special committee of the Senate, has amounted to more than the total capitalization of the Canadian Pacific.

Manufacturers Should Not Take Full Advantage of the Tariff

Coupled with the imperative need for a reduction of taxes in Canada in keeping with the reductions made in the United States, in the interest of better business and the prosperity of all classes, is the need for more population to make use of over-expanded facilities like the national railways, to increase the consumption of farm and manufactured products, and to reduce the cost of government per capita. But how is population to be increased unless taxes can not only be reduced for the individual, but the burdens on industry so adjusted that manufacturers will prosper, capital be encouraged to enter new enterprises, and employment provided for those who will build up the urban communities and create a demand for products of the farm?

Taxation is largely a question of education.

Taxes can only be reduced by curtailing public expenditures, and federal, provincial and municipal governments have always shown a disposition to spend, so long as the revenue can be obtained. Public opinion is the great force that can bring about a reduction in taxes, and a curtailment of expenditures will follow logically, as the spending bodies find themselves short of funds.

Taxation is one of the big public questions in regard to which the manufacturers of Canada, through the C. M. A., might provide leadership. They could show that industry is being depressed and that this means unemployment and reduced salaries. They could show, too, that more jobs and better wages will increase population, enlarge consumption and cut taxes per capita.

Industrial prosperity is dependent on the tariff as well as taxation, and it is being more and more recognized that the tariff is a national rather than a political question, when it is considered on an economic basis. The only policy of protection that can be advocated in the national interest is one that will provide employment and enlarge home markets to the benefit of the whole community as well as aid the manufacturers.

A sound policy of protection in the national interest is one that will help the Canadian manufacturers to retain their home markets. But the manufacturers should not take advantage of that protection in fixing their prices to the consumer. Some of them do so, but the majority are working to increase output, reduce costs, and cut prices.

The Canadian tire industry is mentioned as a typical example of how the tariff should be employed as protection. Canadian tire prices are but little higher than they are in the United States. The Financial Post is informed that protection is being employed to the extent of only about seven per cent.

The low tariff advocate will immediately suggest that the tariff might then be reduced to seven per cent. The effect would be disastrous to the industry, because American consumption would then increase, the output of the Canadian plants would be curtailed, and the costs of production would increase—profits would soon be wiped out.

The Canadian manufacturers need reasonable protection from the American manufacturers with their larger outputs and lower costs, but they should make it clear to the public that a tariff does not mean that just so much will be added to the American price; and they should be prepared to show that they are living up to that policy—a policy that will encourage industrial expansion, increase employment and population, and the consumption of farm products. This could be shown to be of particular advantage to the farmers, because of the prospect that Europe will make great efforts to provide her own food supplies. The point has been made that the farmers are not interested in the home market because their prices are dominated by the markets for their exportable surplus, but it must surely be plain that the greater the amount exported from Canada, the lower the price in the export markets.

The C. M. A. has considered the question: What can be done to improve business? There would seem to be a great deal to be accomplished in putting the taxation, transportation, and other big public questions, before the people, in their proper light, as well as in constructive efforts to reduce production costs, simplify methods of distribution and increase consumption by bringing about lower prices.

GOOD BUSINESS FOR ATLANTIC SUGAR

Arrangements Being Made to Take Care of Creditors Without Bond Issue

From Our Own Correspondent.

MONTREAL. — Many interesting, and, unfortunately, thoroughly inaccurate stories have appeared in the press of late dealing with the funding of the raw sugar credits of the Atlantic Sugar Refineries. What is actually taking place is that the management of the company is arranging the details of a plan whereby the claims of the raw sugar creditors, approximately $3,000,000, will be funded without the necessity of making a public offering of bonds.

The plan, of course, is yet only in its preliminary stages, and, by it, it is hoped that all the creditors of the company will take securities of the Atlantic Sugar Refineries in place of their claims. This is the sound idea on which the management is now working. If it be successfully consummated, it would mean that Atlantic Sugar would make considerable savings; as it would not then be necessary to go to the expense of making a public offering of bonds.

On the balance sheet for the year ending December 31, 1924, there were shown bank loans totalling $1,350,000. It is understood that these loans have now been paid off and the collateral bonds, to the extent of $3,000,000, which were pledged as sesecurity for the loan, have now been released. This has been accomplished through the good business which the company has enjoyed during the first six months of the year. Although a falling market naturally works to the disadvantage of the company, yet the low price in itself is a distinct advantage to the sugar refineries, for it stimulates consumption, and also means that not so much money is tied up in sugar purchases. In other words, the company's earnings are made by simply turning the raw sugar into the refined commodity—if prices are low, there will be a larger consumption and at the same time the company will have more ready money, as less will be tied up in the raw product. Indications also point to the fact that there will be no marked rebound from the present low prices. The plant is situated on the seaboard, and for this reason it has been able to take successful advantage of the much improved export market for its output. Earnings to date this year have shown a remarkable improvement.

ALUMINUM PLANT ON SAGUENAY TO OPERATE BY 1927

Duke Interests in Quebec Merger With Big U. S. Industry

TO UTILIZE POWER

Establishment of Enterprise in Canada Regarded as Direct Benefit of Power-for-Canada Policy

From Our Own Correspondent.

MONTREAL. — The Aluminum Company of America is to merge with the Canadian Power and Manufacturing Company. This is the first step in the establishment of a large manufacturing and power development centre on the Saguenay River. The Canadian Power and Manufacturing Company is nothing more than the James B. Duke interests; it owns large tracts of land on the Saguenay River, with water rights and franchises which will permit the construction and the operation of the big new Chute a Caron development, which is to furnish the power for the new industrial project of the Aluminum Company in Northern Quebec. The establishment of this big enterprise is regarded as concrete evidence of the benefits of the policy of conserving Canada's power resources for the use of industry in Canada.

This week the stockholders of the Aluminum Company of America, at a meeting held in Pittsburgh, approved of the proposal of the management for the reduction of the capital stock of the company from $100 to $5 a share par value, and ratified the merger of the company with the Canadian Power and Manufacturing Company. This is one of the steps necessary in merging the Aluminum Company with the Duke power holdings.

The combined power and industrial project will involve the expenditure of approximately $100,000,000. It is understood that a bond issue will be made shortly to finance the undertaking.

The Aluminum Company of America does not intend to move its plant to Canada, but, at the same time, there will be a big market for the production from the Canadian end of the enterprise.

The electrical development on the Saguenay will be undertaken by a subsidiary company, the Chute a Caron Company. From the magnitude of the plans it is thought that there will eventually be some 40,000 persons in the twenty-five miles between Lake St. John and the company's projected works at Shipshaw. Both sides of the Saguenay belong to the company, and it is expected that eventually this 25-mile strip will be settled by the employees of the project and their dependents.

Bauxite, the ore from which aluminum is made, will be brought in the company's own ships from British Guiana from the extensive deposits in Demerara; probably some fifteen steamers will be employed in this

(Continued on page 16)

Rains Greatly Help Crop Situation in West

MONTREAL.—This week's reports to the Bank of Montreal on the crop situation indicate that badly needed rains in the prairies have helped out in many places. Prospects are generally satisfactory except in dried out areas. No further hail damage is reported. Rust is reported in Manitoba but its spread will depend on the weather.

Crops are all heavy in Quebec. Warm, dry weather is needed. In Ontario the weather conditions have been good except in the east where haying has been delayed.

Hot, dry weather has delayed the field crops in British Columbia. Irrigation has prevented damage to the fruit crop. In the Maritimes the crops are doing well but warm, dry weather is needed.

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The Business Outlook in Canada

Conducted by H. M. CAMERON, Statistical Editor, The Financial Post.

RUBBER HELPING BRITAIN TO PAY WAR DEBT TO U. S.

Price Rise More Than Covers Annual Payments on Obligations

That the phenomenal rise in the price of crude rubber is destined to help Great Britain pay her war debt to the United States is the suggestion of The Magazine, of Wall Street. It has been estimated that the rubber industries of the United States consume about 75 per cent. of the world's supply, and that the rise in rubber prices to present levels would add some $400,000,000 to the cost of America's rubber imports. In this case, Canada would be making a double contribution.

Two years ago, the British obligations to the United States stood at about $4,600,000,000. Annual payments amount to $260,000,000, so the payments will be well covered if the high prices and the present restrictive policy continue. It is interesting that the Stevenson Restriction plan was put into operation ostensibly to rescue the demoralized rubber industry, about the time that debt negotiations between the two countries were completed, and soon after the United States had elevated her tariff wall to a height which made it well-nigh impossible for debtor countries to pay their obligations in goods. The plan was worked out by the British rubber growers with the approval of the Hon. Winston Churchill, then secretary for the colonies, and now chancellor of the exchequer. Without going into its operations in detail, it, in brief, restricts output by putting a penalty on exports over a certain arbitrary figure. Thus exports rise and fall with the upward and downward movement of prices.

Canada's rubber imports are also extensive in view of the rapid development of the tire industry in this country, and if the plan is helping the United States to pay her share of the war obligations in this way Canada is making a heavy contribution as well. Last fiscal year we imported 34,000,000 pounds of raw rubber, not counting what was partially manufactured, powdered, and recovered rubber. On this amount alone the additional cost would be in excess of $25,000,000.

The Rubber Outlook

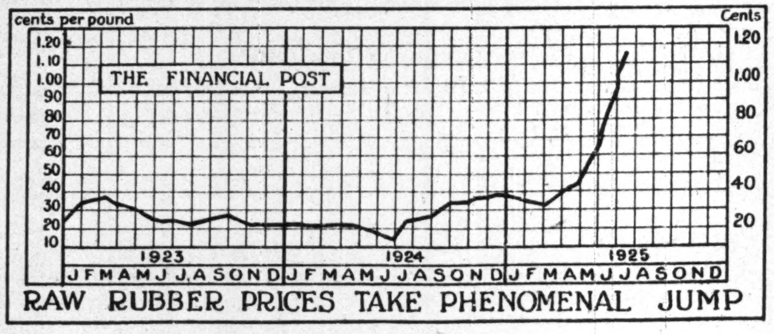
Little can be said as yet with regard to the probable outcome of the present rubber situation. The United States hopes to be in a position to develop her own plantations, but this takes time, and the most likely centre of such operations, the Philippines, are not sufficiently free from political disturbance to warrant heavy industrial expenditure at the moment. Even among the British growers the plan is not entirely popular, and it is suggested that the restrictive policy may be scrapped when the demand for rubber makes the prospect bright for the continuance of the present high prices Great Britain controls less than 60 per cent. of the world's rubber output. The Stevenson plan, of course, does not apply to the Dutch growers. In these factors there is some hope for relief. At the moment, however, there is little indication of any weakening in the price levels, and the volume of exports from the islands at the moment are at the margin under the Stevenson plan.

U. S. Mail Order and Chain Store Business Grows

NEW YORK.—That retail merchandising is experiencing its best year is evidenced by sales of the leading mail order houses and chain store concerns during the first six months of 1925. Progress made since the beginning of the year was all the more noteworthy in that it came on top of a big increase in the same period of 1924 over 1923. While the prosperity in the agricultural districts contributed largely to the run-up in sales of the mail order houses, good conditions in urban centres were reflected in the consantly increasing business of the chain store companies.

Canadian Conditions

	1925	1924	
Car Loadings—			
Week July 11	51,123	51,463	— .6%
Yr. to date	1,469,919	1,549,608	— 5.1%
Grain Receipts—	1925	1924	
Aug. 1 to July 17	255,216,381	397,421,806	—35.9%
Building—	1925	1924	
June	$14,651,613	$13,961,006	+ 4.9%
Bank Clearings—June—	1925	1924	
	$1,236,289,036	$1,257,291,652	— 1.7%
Savings Deposits—Chart. Banks—	1925	1924	
May	1,259,879,335	1,204,816.856	+ 4.6%
Current Loans—By Banks—	1925	1924	
May	909,091,414	989,305,863	— 7.9%
Net Dominion Debt—June 30—			
	$2,378,619,626	$2,389,912,241	— 0.4%
Railway Earnings—			
May—			
C. P. R.	$12,467,612	$14,426.679	—13.6%
Oper. exp.	11,558,698	12,700,209	— 8.9%
Net	908,913	1.726,470	—47.3%
5 months—			
C. P. R.	$61,691,171	$69,521,283	—11.3%
Oper. exp.	55,478.076	61,590,848	— 9.9%
Net	6,213,095	7,930,435	—21.7%
May—			
C. N. R.	18,245,738	19,350,770	— 5.7%
Oper. exp.	17,845,798	19,606,093	— 8.9%
Net	399,940	255,323	+ 2.5%
5 Months—			
C. N. R.	87,339,081	95,184,491	— 8.2%
Oper. exp.	83,164,359	91,628.678	— 9.2%
Net	4,174,722	3,555,813	+ 1.5%
Balance of Trade—			
12 months, June 30—			
Exp.	$1,078,546,094	$1,062,243,790	+ 1.4%
Imp.	808,896,004	854,914,878	— 5.4%
Bal.	269,650,090	207,328,912	+30.04%
July Wheat, No. 1, Nor. Winnipeg—	1925	1924	
	July, '25 $1.63	July, '24 (Aver.) $1.35	



RAW RUBBER PRICES TAKE PHENOMENAL JUMP

Is Part Payment Policy a Boon or a Menace?

Has Potentialities of Both and Must Be Directed Along Certain Well Defined Lines Unless Country's Saving Power Is to Be Sapped

A brief consideration of various phases of instalment selling brings forward certain vital questions, and the series would not be complete without an attempt to answer some of these. Has instalment business come to stay? What will be its ultimate effect? Is the movement a beneficial one to the general public. or is it merely another policy of sales promotion—a ruse to gouge a few more dollars out of the public, and to prey on the weakness of the proverbial credit seeker who never has enough funds ahead to purchase what he considers to be his needs? Will the process undermine the capital building powers of the nation, as has been charged? These are questions which demand immediate and serious consideration.

That instalment selling has made rapid progress during the past decade, no unbiassed observer will deny. Eighty per cent. of automobiles sold in the United States are sold on the time basis, and the percentage in Canada is little behind. Even a conservative estimate of 50 per cent. for Canada would mean that $50,000,000 worth of motor cars were bought on time in Canada last year, counting new cars only. Literally thousands of small finance companies have sprung up in the States, and a dozen quite large organizations are carrying on the business in Canada. The movement, moreover, has entered many other fields as well as the automobile field. It has failed in a few instances where it attempted business to which it is in no way adapted. For the most part, however, credit selling continues to forge ahead, and, at any given time, millions of dollars are being paid to dealers and manufacturers throughout the country for goods already delivered.

Subject to Gross Abuse

Like most other movements, instalment selling may be a decided asset, and it may also be a menace to the welfare of the country. It seems safe to generalize that the movement may be beneficial when confined largely to necessities of a lasting nature, or, in the term of the economist, to capital goods. If the article purchased is helping the buyer to make a living, or if it is an instalment of further production, saving to buy it, and obtaining it before fully paid for, may eliminate much hardship. On the other hand, many luxuries are being purchased on time to-day which will make it harder for the buyer ever to become economically independent. He is paying more for what he gets, and he is consuming his savings in advance, as it were. He is keeping himself always just a step behind. Taking the matter collectively it is not hard to see something in the argument of opponents of the movement, that it undermines the saving instinct, and prevents that accumulation of capital through which alone progress can be achieved, and the country developed. On the other hand, if the movement is held within bounds, and its excesses properly curbed, it may easily become a powerful asset to the country. Credit must remain, to use an old expression, "the servant, rather than the master."

Is the Cost Excessive?

The cost of credit like the cost of any commodity is determined by supply and demand. In the United States the cost has been lowered by the entrance into the field of a very large number of firms engaged in supplying it. In Canada there are new firms entering the field, and there has also been a considerable mortality. In the case of the automobile the cost has been more or less standardized by competition, and also, of course, by bringing the risk down to a minimum. The average cost today, outside the automobile field is probably well above 20 per cent. of the cost of the article purchased. Only the buyer can determine, in individual cases, whether or not he wishes to pay this much for having the article in advance. But in the aggregate, economic laws will determine whether or not this charge is excessive.

That the instalment principle is utterly inapplicable to certain products should now be obvious. Failure or success hinges upon the ability to repossess the goods. The best example of the failure of the plan where this principle is not observed is the recent country-wide attempt to sell paint and varnish on time. The question of the lien, here, is paramount.

It may also be stated that the instalment principle is less applicable in the case of goods which depreciate rapidly. In the case of goods or property the value of which is appreciating, there is no question of the advisability of the plan. It has been practised in realty values for many years.

To what extent the financing of the great selling projects will be carried on by the firms themselves or by separate financing organizations remains to be determined, as well as whether recourse or non-recourse paper will be the type more largely adopted. Certain large merchandising organizations which have sold for cash exclusively in the past are now considering credit. It is expected that the largest of these will carry on their own financing. On the other hand, some of the largest United States finance companies are entering the Canadian field, and are promoting business both in recourse and non-recourse paper. The function of providing credit is not a new one, but will be developed along new lines, and no one can yet tell what will be the developments along this line. It is probable that both types of paper will be used, and it is probable also that many firms will provide their own financing facilities, while many others will depend upon the specially equipped corporations to look after the credit end of the business. Whatever may be our feeling on the whole matter of buying on credit, the movement is a big one, and evidently has come to stay.

Attempt to Sell Paints on Time Proves Failure

The failure of the principle of instalment selling when applied to business to which it is not adapted is well illustrated by the experience of those who promoted the recent campaign to sell paints and varnishes on this basis. It is evident that these products are not re-possessible and for this reason the plan could not be expected to be a success.

Last April, according to Hardware and Metal by whom an educative campaign has been carried on in credit selling, and which organ, incidentally, opposed the project from the first, a huge contest was started by certain United States publications to arouse interest in the scheme. Country-wide advertising was carried on, direct mailings of letters and circulars were resorted to, and prizes were offered to arouse interest in selling paints and varnishes on time. The contest ran for three months and the annoucement was to be widely advertised on July 6. To the amazement of all concerned only one contestant entered. The project was a complete failure.

The instalment selling plan has made tremendous progress in lines to which it is adapted, but there is a clear-cut limit to its field. As pointed out in a series of articles on the subject by The Financial Post, and as emphasized by Hardware and Metal in a similar series, any part-payment project which is applied to goods which are not subject to lien, and which cannot be re-possessed and resold, is doomed to failure.

Ore receipts at Trail smelter of the Consolidated Mining and Smelting Co., for week ending July 21, amounted to 6,119 tons, and for the year to date to 210,598 tons.

Loblaw Groceterias Company, Limited

Balance Sheet May 31st, 1925

ASSETS

Current Assets—		
Cash on hand and in banks	24,470.61	
Merchandise Inventory and Advances on a/c purchases	618,479.43	
Advances to Loblaw Groceterias, Limited, (Alberta Co.)	5,633.73	
	648,583.77	
Balance owing by Underwriters on account of Capital Stock, payments not yet due	209,800.00	858,383.77
Investments:		
2600 shares Common Stock, Loblaw Groceterias, Inc.	1.00	
150 shares Stock, Loblaw Groceterias, Ltd., (Alta. Co.)	15,000.00	
Life Insurance	4.532.50	
Mortgage Receivable	10,500.00	30,033.50
Capital Assets:		
Real Estate, Buildings, Improvements, Furniture & Fixtures, and Autos & Trucks	951,303.41	
Less: Depreciation Reserve	142,131.03	809,172.38
Deferred Charges to Operations		17,699.80
Goodwill		360.000.00
		$2,115,289.45

LIABILITIES

Current Liabilities—		
Bank Advances	91,556.47	
Accounts Payable	359,676.78	451,232.25
Deferred Liabilities—		
Mortgages Payable (to be paid out of proceeds of sale of Stock underwritten)	86.325.00	
Income Tax Reserve	29,065.41	115,390.41
Capital and Surplus—		
Capital Stock, Prior Preference 7%, Subscribed	534,800.00	
Capital Stock, First Preference 8%, Paid-up	3,300.00	
Capital Stock, Second Preference 12%, Paid-up	237,000.00	
Capital Stock, Common, 72,000 shares, no par value	360,000.00	
	1,135,100.00	
Surplus	413,566.79	1,548,666.79
		$2,115,289.45

CERTIFICATE:—We have audited the books of the Company for the year ending May 31st, 1925, and hereby certify that, in our opinion, the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, as shown by the books, as of the date thereof.

THORNE, MULHOLLAND, HOWSON & McPHERSON, Chartered Accountants.

FREIGHT SCHEDULE JOBBERS' VICTORY

That is How Hardware and Metal Sizes Up the Recent Decision

According to the current issue of Hardware and Metal, a number of hardware lines will be affected by the new freight classification recently adopted by the Dominion Railway Board, but it is difficult as yet to reach any decision with regard to what the general effect will be upon transportation costs. The opinion is expressed that the most direct advantage of the new classification will be the elimination of much misunderstanding, incorrect billing and wrong charging, due to the fact that the new classification is much more specific in listing hardware and other articles. The net result, according to Hardware and Metal, considering the situation as a contest between the co-operatives and the jobbers, is a victory for the latter. The case is thus reviewed:

A considerable part of the controversy in connection with the original proposal for a new schedule centred around the privilege of mixing the contents of a car shipped at carload ratings, there having been very strong representations made by various interests on each side of this question. Certain co-operative marketing organizations in Western Canada favored the extension of the mixing privilege because they bring in a wide variety of merchandise such as groceries, hardware, implements, furnishings, and clothing, but do not bring any one article in sufficient quantity to do much carload business. It was very much in their interest to have the mixing privilege extended, but Western wholesalers and large retailers, particularly in the hardware line, saw the dangers involved and put up a strong case for the restriction of the privilege of mixing the merchandise shipped in a car. The privilege was not extended to any appreciable extent.

While this action may seem difficult to comprehend in view of the fact that the interests of Western farmers have as a rule been put before everything else, the Dominion Railway Board took the stand that the West had never had the unrestricted mixing privilege and it would not be deprived of anything, whereas if this privilege were extended it would not be in the interests of the established Western jobbers and larger retailers who buy car loads of many commodities. The "mixing rule" therefore underwent little change.

Market for Canadian Lumber in New Zealand

OTTAWA.—Advices from Oakland are that Canadian lumber is being imported into New Zealand in fairly large quantities, the chief species purchased being Douglas fir, hemlock, and cedar. A certain amount of spruce has been used for butter boxes. The question has been raised as to the possibility of Canada shipping Sitka spruce to this market in larger quantities. It must be remembered that New Zealand has a considerable stand for timber suitable for furniture, interior finish and similar uses. The imported wood is used chiefly for construction purposes, weather boarding, poles, railway sleepers, etc. It is certain that Douglas fir is commonly known and well regarded by local builders, and in order to interest them in a new timber there must be some special features or inducements. Should Sitka spruce be cheaper than Douglas fir it is possible that a market might be developed.

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CHEAP MONEY IS NOT BASIS FOR GOOD BUSINESS

It is Rather a Sign of a Depression in Industry

By B. M. ANDERSON,
Economist, Chase National Bank, New York.

There is a belief, widely held on both sides of the Atlantic, that good business depends on cheap money, and that even moderate increase in money rates can turn good business into depression. It is a fantastic idea, unsound in theory and repeatedly refuted in economic history. The casual relation between business and money rates is, for the most part, directly the reverse. Good business makes firm money and business depression makes cheap money, other things equal. To the extent that there is a casual connection, money rates are generally the effect of business conditions rather than the cause of business conditions. It seems worth while, however, to apply our experience during the past two years to this doctrine, as we have been passing through an exceptionally interesting test of the matter.

The theory underlying this notion is that cheap money will make a big increase in commercial and business borrowing and that as business men borrow money, they will spend it in such a way as to raise prices and to make business active. The heart of the theory is that the volume of business and commercial borrowing is governed by the discount rates that business men pay. The facts are, as business men and bankers know, that the volume of commercial borrowing is primarily governed by the expectations which business men have as to the volume of business which can be done with the money, and the profits which can be made. Buiness profits depend on the relation of costs to receipts. Money rates are among the elements of costs, along with labor, raw materials, transportation, rentals, taxes and other items. If money rates go excessively high, they may make a real difference in profits. Within a wide range, however, anticipated volume of business is far more significant than money rates. If a large volume of business can be done with 5 per cent. or 6 per cent. money, profits may be much greater than they would be with a smaller volume of business done with 3 per cent. money, because overhead expenses can be spread out over a much larger number of units of product, so that cost per unit is smaller with a large volume despite higher money rates. In the actual calculations of business men who are deciding whether to borrow a larger or smaller amount from their banks, the rate to be paid is very much less important than their anticipations as to the volume of business which can safely be undertaken.

Instead of being the dominant element governing business borrowing, discount rates are merely one of many elements affecting the calculation.

It is interesting to contrast the movement of commercial borrowing during the year of fairly firm money rates, from March, 1923, to March, 1924, with the year of artificially low money rates from March, 1924 to March, 1925. During the first of these years, the range in rates on four to six months' commercial paper, best names, was from a high of 5¼—¾ per cent. to a low of 4¾—5 per cent. During the second year, from March, 1924 to March, 1925, the high point (at the very beginning) was the low of the preceding year, namely 4¾—5 per cent. From this figure the rate dropped rapidly to 3½—4 per cent. for the week ending July 5, and to 3 per cent. for the week ending August 16, and remained unchanged at from 3 per cent. to 3½ per cent. from the latter part of July to the end of the calendar year, stiffening moderately to 4 per cent. by the middle of March, 1925. Call money on the Stock Exchange during the first of these years ranged for the most part from 4½ per cent. to 5½ per cent. During the second of these years the level was very much lower and there was a period of sixteen weeks, from June 14 to September 27, during thirteen of which call money stood unvaried at the money post of the Stock Exchange at 2 per cent., with transactions outside reported at rates below this. Sixty-day time money on the Stock Exchange dropped as low as 2 per cent. in August, 1924, while bankers' accceptances for a considerable period sold as low as 2 per cent. in the open market, since the New York Federal Reserve Bank was buying them at that figure. Call loans on acceptances went as low as 1½ per cent. in July, August and September.

What difference was made in commercial and business borrowing by these differences in rates? The answer, on the face of the figures, is none at all! From March 21, 1923 to March 19, 1924, the "commercial loans" ("all other loans and discounts") of the reporting member banks of the Federal Reserve System increased from $7,727,000,000 to $7,993,000,000, an increase of 3.4 per cent. In the following year, the year of exceedingly cheap money, from March 19, 1924 to March 18, 1925, these same commercial loans increased from $7,993,000,000 to $8,182,000,000, an increase of only 2.4 per cent.

Normally there would be an increase in commercial borrowing with the normal growth of business in the country. Possibly commercial loans would have increased somewhat more slowly than 2.4 per cent. during the second period had money rates been stiffer, but certainly the excessively cheap money did not make a dramatic difference between the two years in the volume of commercial borrowing. It may be added that the reporting member banks possess about 55 per cent. of our total bank resources, and that their movements are fairly representative of the general banking situation.

What then did the exceptionally cheap money of the second year accomplish? The cheap money grew out of excessive gold, excessive open market purchases by the Federal Reserve Banks and (during the summer of 1924) a business reaction. The banks had a great excess of idle money available on very cheap terms. What was done with it? The answer on the basis of the figures of these same reporting member banks is very clear. The excess money went into investments, and stock and bond collateral loans. During the first of these years, the year of fairly firm money rates, stock and bond collateral loans increased from $4,023,000,000 to $4.-120,000,000, an increase of 2.4 per cent. Between March 19, 1924, and March 18, 1925, however, stock and bond collateral loans increased from $4,120,000,000, to $5,029,000,000, an increase of 22 per cent. During the first of these years the investments in securities of the reporting member banks actually decreased from $4,744,000,000, on March 21, 1923, to $4,507,000,000, on March 19, 1924, a decrease of 5 per cent. In the following year, however, from March 19,1924, to March 18, 1925, the investments of these banks increased from $4,507,000,000 to $5,518,000,000, an increase of 22 per cent.

Business men do not borrow for amusement. Speculators sometimes do. Cheap money can very often make an active stock market, but it takes more than cheap money to speed up business.

Development of Peat Commences at Last

From Our Own Correspondent.

MONTREAL.—Although peat may only be regarded as an auxiliary fuel, yet the news that Peat Fuels, a company formed to develop the Peat Bog at Alfred, Ontario, has between two and three thousand tons of peat ready for marketing in Montreal, Ottawa, and other centres within an economic haulage distance of Alfred, indicates that finally Canadians will make some use of this fuel.

The new company is the first of its kind in this country to endeavor to develop peat bogs on a commercial scale. The idea was first given serious consideration in 1918 when the federal and the Ontario governments appointed a joint committee to investigate whether or not peat fuel could be produced commercially. This committee existed for 5 years, by which time the investigations had been carried far enough to point the way to capitalists for the successful manufacture of a domestic and industrial fuel from Canada's peat resources. There were many who considered that the governments involved should have spent a little more time and money on the development of peat, However, on July 15th, a visit was paid to Alfred by officials attached to the Dominion Fuel Board, and in their opinion the progress attained by the company, considering the delay in commencing this summer's operations, far exceeded expectations.

The important thing about this development, as far as Canada's fuel problem is concerned, is the fact that it is situated in what is usually referred to as the acute fuel area which lies between Montreal on the East, and Winnipeg on the West. In this area, practically all fuel has to be imported from the United States as the haul from our own mines is too long; hence anything helping to relieve this situation is of interest.

Should this venture prove financially successful, it seems very likely that other companies will follow in the footsteps of Peat Fuels.

PREFERENCE NOT POLITICAL, BUT FAMILY MATTER

That is Idea of Canadian Chamber of Commerce in London

By COL. A. LORNE HAMILTON, C.M.G.
President, Canadian Chamber of Commerce in London, at annual meeting.

Industrial affairs have been and are still gloomy. The foundation of this unrest is hard to analyze. However, I think we may expect an improvement. I welcome the statement made by Sir Phillip Cunliffe Lister, president of the board of trade, in his appeal to develop the demand for "British-made" goods. This is a necessity to British industry, and may I earnestly express the hope that the policy of the British government will very shortly be, that, failing home manufactures, the products of our empire should then be given first consideration. Here is a point of view where a conference of empire manufacturers such as I have previously referred to, would prove a great advantage, in other words, give all parts of the British Empire a decided preference over foreign products. To me it seems that empire trade is the foundation stone of empire consolidation, and, in my mind, there is not the slightest doubt that the British Empire can be self-supporting.

Recent steps made by the present government to grant Imperial preference to certain commodities is encouraging, and, whilst I do not wish to entangle myself in any political controversy, I submit that Imperial preference should not be a political issue, and from my own personal point of view I cannot see why preference to any part of our empire should not be treated as entirely a family matter, and I cannot understand the thoughts of those who oppose Imperial preference.

We are consoled by the fact, however, that the British Empire, of which we are proud members, shows signs of coming to a mutual understanding in this connection. The fact must not be overlooked that the Dominions across the seas have been built up by pioneers who left these shores to take their share in the work of consolidating the land of their adoption. It has been stated in the past that Canada is to some extent becoming Americanized. I want to assure you that such a statement is truly unjust, and one only has to pay a visit to Canada to find a proof of Canada's great affection for the Motherland, and the component parts of the Empire. Conditions in Canada are, I think, improving, and I am confident that a great field awaits the British manufacturer who seeks a new export market.

To Mark B. C. Salmon

Serious competition to the British Columbia salmon trade continues. You are aware that we have made strong representations to His Majesty's government on the subject of an amendment to the Merchandise Marks' Act to assist this most important industry of Canada. Whilst I am not able to report satisfactorily upon this point, it is my pleasure to inform you that the matter is still receiving consideration, and I cannot conceive that the British government will allow this act to remain in its present state. The marking of the country of origin on all containers would, I think, be the first steps for creating an increased demand for Empire food products, and the British public would, I am sure, be glad to co-operate in this respect.

Gauging Future of Security Prices From Records of Past

Plentiful funds and easy credit rather than high current earnings or brilliant prospects for future business constitute the sustaining support of the present Wall Street market for securities. Bond prices are now at the highest levels reached in the past eight years, and stock prices are higher than they have ever been before. It now seems probable that there will be a continuing tendency for short time interest rates to stiffen during the remainder of this year, and if they do it is entirely likely that the result will be to bring to a termination the long-continued advance in security prices.

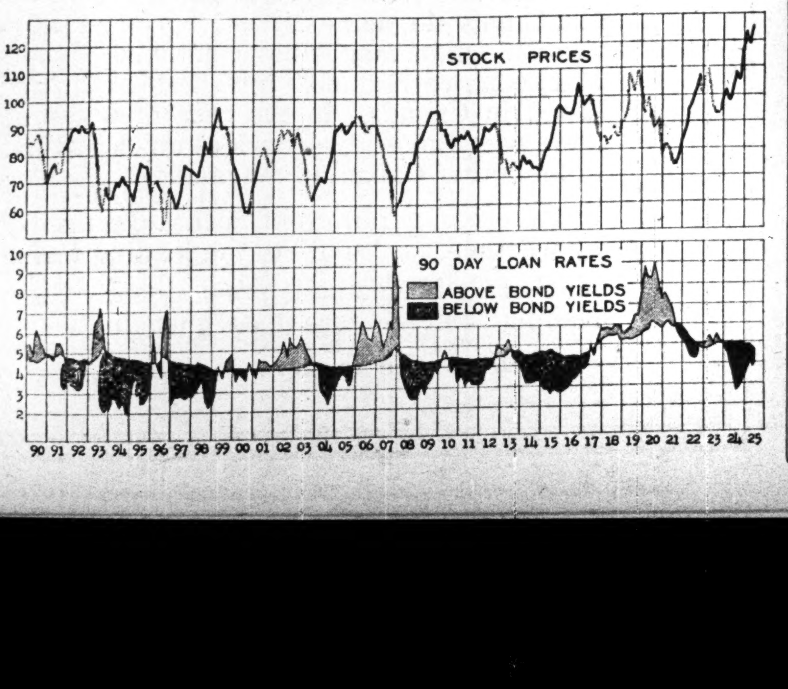
The accompanying diagram shows in the upper section the course of the average prices of industrial common stocks over the past 36 years. The bottom portion shows the course of two kinds of interest rates over the same period of time. The outline of the silhouette is formed by the line showing the course of the rates on 90-day loans in the New York market. The dividing line between the portions of the silhouette that are in solid black and those parts that are shaded is the line showing the changes over this period of the yields on 60 high grade bonds.

The 90-day loan rate shows the fluctuations in the kind of short time interest that is most representative of the fluctuating costs of credit extended to brokers for carrying security holdings. The bond yield line shows the changes in long-term interest rates.

The fluctuations in the short time interest rates are far greater than those in the long time ones, and over a period of years the short money rates alternately rise above and fall below the long money rates. In the lower diagram the shaded surfaces represent those periods in which the short time rates were above the long time ones, and the surfaces in solid black show the periods in which the short time rates were below the long time ones.

The line showing the stock prices is in solid black during those months covered by the black areas in the lower part, and it is in shaded sections over the months covered by the shaded areas in the lower portion. The general rule has been that stock prices have risen during the periods that the 90-day loan rates were lower than the yields on long time high grade bonds, and they have fallen when the loan rates were higher than the bond yields.

At present the prospects are that by the coming autumn the loan rates will no longer be the lower of the two. If this happens it will be because the expansion of general business, the activity of the construction industry, the extending of loans to foreign countries, and the expenditure of capital on public works will have been carried so far as to use up the margin of easy credit seeking employment. When that time comes the banks will be increasing their commercial loans and selling some of their investments, which will have the double effect of making it much less easy and convenient for brokers to carry margined accounts, which will result in a decline in stock prices, and also the effect of bringing about somewhat lower prices for bonds.



B.W.I. TREATY SHOULD FORCE DIRECT ROUTING

Country Loses Millions Annually by Importing Goods by Way of Foreign Ports

One of the outstanding advantages which it is hoped may accrue from the new trade treaty between Canada and the British countries of the Caribbean, is the furthering of direct freight shipments between the two countries. With an amazing lack of initiative, Canada loses millions every year through allowing a large portion of her imported goods to be brought to her in foreign bottoms and through foreign ports, while her own vessels, in many instances, lie idle. The treaty is designed to extend the volume of goods shipped direct between West Indian and Canadian ports.

By having our goods come in through foreign ports we suffer a double loss. Not only is there a direct loss to our transportation companies, but we are giving the foreign interests concerned inside information about our trade and requirements, which is later used to build up their business to the detriment of our own. We are developing these foreign shipping companies, and are giving to foreign commercial organizations a toll off every shipment of goods passing through their ports. While there are no accurate statistics available of the amount of goods passing between Canada and the West Indies, via United States ports, it is certain that the quantities are large. One of the leading Canadian importers has recently estimated that we import from the United States about $21,000,000 worth of goods produced in the West Indies, while our direct imports from those countries total less than $15,000,000.

Why Indirect Routing?

What is the reason for such amazingly bad business? In the first place Canada has lacked the facilities to carry seasonal goods to advantage, including warehousing and docking facilities. Then again, United States firms are handling large quantities of goods, and are thus able to handle them more cheaply. There is also an apparent inability on the part of Canadian institutions to co-operate. A conference was held some time ago between the shipping interests and the manufacturers and exporters of this country, with regard to South American business. The former complained that the manufacturers were routing their goods by way of New York rather than by Canadian lines. The latter stated that the proper steamship services were not provided. The steamship interests stated that they would provide adequate service if the shippers would guarantee them cargo. The shippers replied that they must first put on the service and they would be sure to get the cargo. Here the matter ended and nothing was done, nor has since been done.

It is expected that the treaty will force a solution to the question by virtue of the preference on directly-shipped goods, insofar as West Indian trade is concerned, and if it does nothing more than this, it has served a valuable purpose.

Hare and Chase Inc. Open Toronto Office

The most recent finance company to establish a Canadian office for the purpose of buying automobile trade paper is Hare and Chase of Toronto, Ltd., which is a subsidiary of Hare and Chase of Philadelphia. The Toronto office is in charge of L. J. R. Rowlands, who is president of the new company.

An interesting feature of this latest entrant into the Canadian field of financing part-payment automobile sales is that the company carries on business exclusively on non-recourse paper. Under this system, which is followed in about 75 per cent. of the total of such transactions in the United States, the dealer is out of the transaction just as soon as he has made the sale. The finance company thus carries a greater risk and must therefore charge somewhat higher prices as well as making a more careful examination of the standing of the borrower.

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The Securities Markets

GENERAL RISE IN THE MARKET HAS CONTINUED

Banks, Papers and Textiles Make a Very Good Showing

MARKET INDICATOR
(20 Industrial Stocks)

Week July 29		Week July 22		July, 1924	
77.3	74.3	79.7	74.05	6[illegible].2	64.3

There has been no evidence of the usual midsummer lull in the stock markets during the week and the buying activity has been accompanied by a continuation of the generally upward movement which has now been in evidence for some time, although there is indicated a stronger tendency towards selection at the higher levels which have now been attained. The unusual July market which has ignored the holiday season is to a considerable extent attributed to the continuation of the bull market in New York. There are certain indications that the top of the movement in the American market may be at hand—at least the inevitable end of the advance must be closer than before in view of the higher levels being attained—but there is a difference of opinion as to whether this also applies to Canadian prices. The New York influence in the Canadian market is, of course, always a strong one in reference to speculative movements but there is generally a varying period as to the bearing of this influence and it is submitted that, as the upward movement was delayed in starting as compared with the American markets, any reaction will not necessarily mean the immediate end of the rise in Canadian security prices.

With the exception of the steel, milling and utility groups, which show little change in price levels, the week's advances have been general throughout the stock lists. In the bank group six stocks recorded gains as compared with three showing declines and two unchanged. The feature of this group has been the advance of Imperial Bank to 200. Bank of Montreal has remained firm around 250 and there has been a renewal of interest in Union, with the price advancing to 117.

Higher prices are general in the pulp and paper group despite the talk of over-production in newsprint. Seven stocks show advances as compared with two showing declines and one unchanged. Brompton with a sharp run up from 18½ to 23 and above has been the particular feature. Laurentide has shown a nice advance also and St. Maurice and Spanish have been strong.

The textiles have shown consistent strength. Five members of the group show advances. There have been no marked changes but a continuation of the good showing of the recent trading. In the general industrial list the advances have dominated losses. Asbestos stocks have made a considerable recovery from the slump which came with the announcement that the merger plans had fallen through. There was a sharp advance in F. N. Burt to above 58 which put the value of the old stock at 232. The Canners stocks, both common and preferred, have shown substantial gains.

Following is a summary of the movements recorded during the week:

Group	Gains	Losses	Unchg.
Banks	6	3	2
Pulp and Paper	7	2	1
Steel	2	3	3
Milling	1	2	4
Utilities	4	4	5
Tractions	4	2	4
Textiles	5	0	3
General	10	5	9
	39	21	33

New York has gone on making many new high records day after day. The news is all favorable to the bulls. Business improvement is real. The question is as to the extent to which this improvement has already been discounted. The market level is very high and while there is nothing definite to indicate that the top has been reached there is an increasing indication of caution. Stocks are being selected with more care. The feeling grows that the pace cannot continue indefinitely and that it is a time for conservative investors to consolidate their position.

COL. DEACON ON TORONTO 'CHANGE

Col. F. H. Deacon, of F. H. Deacon & Co., has been elected a member of the Toronto Stock Exchange.

Canners Reorganization to Be Put Into Effect

In connection with the advance of Dominion Canners preferred and common shares to 113 this week, it is understood that the preferred shareholders have largely expressed their choice of the terms offered for the distribution of the Canadian Canners securities under the plan for the winding up of Dominion Canners, most of the notices returned to the company accepting the offer calling for the distribution of Canadian Canners six per cent. bonds. The Canadian Canners is looking forward to a year well up to the average as regards profits, actual business affairs of the operating company being quite satisfactory.

Dominion Canners preferred will disappear from the boards of the Canadian stock exchanges this week after a market career extending over many years. The common will survive a few days longer, pending the allotment and division of securities not previously appropriated by the holders of the senior security. Holders of the preferred have until August 1 to announce their choice of securities in Canadian Canners Limited. It is expected that within a few days of that date the proportion of securities which shall go to each share of common outstanding will be made known. In the meantime preferred shareholders are turning in their stock, and as it is reported that the great preponderance of the stock is being exchanged for the bonds, the great bulk of the preferred will go to the holders of the common, and it is in the new securities which will automatically replace the old that the speculative possibilities lie. The company is now busily engaged on the season's pack. and it is reported that a good average year is anticipated.

NEW CROP TO HELP CANADIAN PACIFIC

Outlook for Shareholders of Big Railway as Viewed by Wall Street Journal

Although the gross earnings of Canadian Pacific for the six months ending with June declined by $9,500,000, expenses were cut to such an extent that the net declined only $2,600,000. Improvement is expected with the movement of the new crop. Regarding the outlook from the standpoint of the shareholders, the Wall Street Journal says:

Selling around 142 Canadian Pacific's present price compares with low of 142¾ last year and 139¾ in 1923. Road's gross and net for first half of this year was below any similar period in last four years. But the trend of railroad earnings in Canada is closely linked with agricultural prospects, and the outlook for large crops with good prices is very promising. Present estimate for wheat crop is 365,000,000 bushels compared with about 250,000,000 actually produced last year. In spite of a wheat crop of 474,000,000 in 1923, Canadian farmers realized about $948,000,000 for their field crops in 1924 compared with $889,000,000 in 1923, and the Dominion Bureau of Statistics estimates farmers will get about $250,000,000 more out of their crops than last year. It is calculated the five principal grain crops at current prices for October delivery will exceed last year by $195,000,000 and put into circulation $805,000,000. Thus, prospects for Canadian Pacific for last half of this year are good. Grain traffic will be much heavier than last year and the increase in purchasing power of the farmers should stimulate business generally.

Whatever may be the outcome of proposals for merging the Canadian railroads it does not seem possible holders of Canadian Pacific stock at these levels could suffer. Dividend rate since 1911 has been 10 per cent., of which 7 per cent. came from railroad earnings and 3 per cent. from special sources. Hence, a guarantee of not less than 7 per cent. on the stock and some return from special income properties seems the minimum that stockholders would be willing to accept. Present prices would certainly not be high if such an agreement results.

Port Hope Sanitary is Making Good Progress

Under good management the financial position of the Port Hope Sanitary Co. has been improved materially during the past two years. Good headway is being made in reducing the company's obligations and strengthening its assets, and as a result, it is not unlikely that the junior issue will be placed on a dividend basis of six per cent. per annum before the end of 1925.

Operating profits in the year ended January 31, 1925, amounted to $181,926. Out of this the company reduced "goodwill" from $206,623 to $100,000. Net working capital stood at $360,234, against $243,000 two years ago. Perhaps the most important change in the balance sheet, however, is the reduction in the outstanding preferred stock to $249,400, compared with $456,000 in 1923. As the company has no bonds, charges prior to the common stock are now very light, and profits do not have to be very large in the aggregate to make a substantial percentage return on the $759,500 common shares outstanding.

COMMON STOCKS SAFER AND YIELD MORE THAN BONDS

Irving Fisher Adds Dictum to Argument for the Former

There has been a tendency of late on the part of certain financial writers to challenge to traditional verdict that bonds are safer and more profitable than common stocks, as an investment. The latest contribution to the argument, on the side of the stocks, is from one of no less standing than Irving Fisher, of Yale. The pith of the arguments advanced in a bulletin just issued is as follows:

A bond entitles the owner to interest and return of principal after a period of years. Thus a five per cent. thirty-year bond means that the owner is entitled to $1,000 in thirty years and, in the meantime, to a fixed and steady income of $50 a year.

Common stock, on the other hand, entitles the owner to whatever remains after bonds and other fixed obligations have been provided for.

Thus a share of stock in a corporation owned in 10,000 such shares means that the owner is entitled to one ten-thousandth part of the income and capital of that company after its debts are taken care of.

The bondholder has one advantage over the stockholder, that of having his claim attended to first. If there are not enough earnings to go around the stockholder must be the one to go without. Not only must the bondholder's interest be paid first, but, in case of liquidation of the assets, should the company become insolvent, the bondholder must be paid in full before anything can go to the stockholder.

Thus the stockholder takes the risk of the success of the business while the bondholder is practically assured his interest and principal.

Why, then, is it not true, as is almost universally believed, that "gilt-edge" bonds are safer and better?

The Stockholder Has a Chance of Gain

The first answer is that the stockholder not only assumes the risk of a decrease in earnings but, on the other hand, possesses the chance of an increase. Any bond of the Bell Telephone Company or the Ford Motor Company could not share in the prosperity of the company, however rich it becomes. The result is the stockholders grow all the richer.

While few companies have such phenomenal success as the Bell Telephone or the Ford Company, and while the name is legion of those companies which go broke, nevertheless the facts indicate that, on the average and in the long run, with all the risk, the stockholder comes out better because of his chance of gain.

Thus the bondholder pays dearly for his supposed safety and regularity of income. True, the stockholder buys a lottery, but the facts show that the price he pays is below the mathematical chance. The lottery tickets are unduly cheap, just because of the traditional preference for bonds, which are unduly dear.

Steadiness of Income

But this is only the beginning of the story. As a matter of actual fact, in all but "wild cat" companies, the shareholder's actual cash income does not fluctuate very widely. This is because modern corporation directors pursue a conservative dividend policy. Just because of a common dread of lowered dividends, the modern policy is to declare only such dividends as are pretty sure to be kept up. In other words, the most approved dividend policy is one of steadiness. This is accomplished by trying to put back in the business a certain amount each year, just as thrifty people put something aside in the savings bank. Year after year, for every $5 that the owner of the share of stock gets, another $5 or so is put back in the business. One corporation head says that it is an axiom that a growing company must try to put back about half of what it earns. The aims are not to disappoint the stockholder, to make his dividend steady, at least as large as it usually had been, if that is possible, and to invest what is left in the business. In fact, sometimes dividends are declared when the earnings, for the time, are insufficient by drawing on the surplus, thus feeding lean years out of the leftover from fat years. This brings us to the third point, namely, that the constant reinvestment of earnings rolls up just as does one's savings in the savings bank, but, quite often, far faster. Every cent of this accumulation belongs to the stockholder, not the bondholder, and, except through ill-luck or bad management, these accumulations will not be dissipated, but will steadily grow until the company feels it safe to increase the dividend. The stockholder who begins with $5 a share is apt, if he is patient, ultimately to get much more—sometimes many times as much—in the course of a lifetime. The bondholder has nothing to match this.

The Bondholder Loses on Rising Prices

The fourth answer is that when prices are rising, that is when the dollar is depreciating in value, the bondholder loses in the value of his principal and interest. His purchasing power is lessened. His income may be "steady" in terms of dollars, but it is really very unsteady in purchasing power. German bondholders were, of course, ruined by the fall of the mark. A 1,000-mark, 5 per cent. bond, continued to yield fifty marks, but what was the mark? In actual bread and butter, in ability to cope with the cost of living, the mark fell, say, fifty-fold during the war, thus reducing the real income of the bondholder to one-fiftieth of what it had been; and, after the war, the bottom fell out altogether.

There is a fifth answer. This is that whatever truth there is in the "risk" carried by a stockholder as compared with the bondholder, this risk can be partly neutralized by diversifcation. If one invests $10,000 in ten different companies, putting $1,000 into each, while he does run a real risk of losing all he has invested in some one or two of these companies, this risk is mostly offset by the probability that some other company will prosper exceedingly.

GAS SUPPLY FOR CALGARY ASSURED

International Utilities Makes Deal With Subsidiary of Imperial Oil

MONTREAL.—In connection with the forthcoming financing by International Utilities Corporation, has negotiated a officials of the Gas Production and Transportation Company, Ltd., a Canadian subsidiary of the International Utlities Corporation, has negotiated a contract with the Royalite Oils, Ltd., a subsidiary of the Imperial Oil Ltd., whereby the city of Calgary, will be assured for many years of a further abundant supply of gas which has recently been developed in the Turner Valley field, situated about 30 miles south-west of that city. Under the terms of this contract it is understood that the Royalite Company will undertake immediately the construction of a $250,000 plant to "scrub" the sulphur odor from the Turner Valley gas, and it is expected tht this plant will be in operation by early fall of this year.

It is also understood that the Gas Production and Transportation Company, Ltd., has agreed to construct at once a new 10-inch pipe line from Calgary direct to the Turner Valley Field, a distance of 27 miles, and after completion of this line, to utilize a large percentage of Turner Valley gas for consumption in Calgary. This contract further stipulates that the Imperial Refineries Ltd., also a subsidiary of Imperial Oil Ltd., will utilize this new pipe line for transportation of all gas from Turner Valley to their refinery at Calgary.

A banking syndicate is negotiating for the purchase of a substantial block of the prior preferred stock of International Utilities Corporation. When and if the deal is closed it is expected that the stock will be offered for public subscription in the near future.

MILLING DIVIDEND

Lake of the Woods Milling Co., Ltd., has declared dividends of 3 per cent., on common and 1¾ per cent. on preferred, payable Sept. 1 to shareholders of record, Aug. 22.

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CITY DAIRY AT NEW HIGH RECORD FOR THIS YEAR

Common Stock of $25 Par Value Reaches a Mark Above 90

The advance of City Dairy common to a new high point for the year at 90½ does not appear to have been based upon any concrete development in the operations of the company. Indeed, while the earnings are reported to be on a scale adequate for all requirements, they are somewhat behind those of last year. This is due to some extent to the peculiar nature of the current summer season, which has had its effect upon the ice cream business. The street knows, however, that the company is improving its position all the time and believes that sooner or later the shareholders are going to benefit. In 1924 City Dairy earned $41.88 on its common stock before deducting $28,379 for adjustment of depreciation for 1922. Total surplus at the close of the year after deducting this amount was $292,621.

City Dairy common is a 12 per cent. stock with a par value of $25 a share. Selling at 90, therefore, the yield is only 3.33 per cent., so that unless the street considered that the stock has prospects it is not likely that in this market the shares would be selling at the price they are.

It was in February, 1924, that the stockholders authorized the directors to take the necessary steps to reduce the par value of the common stock from $100 to $25, and increase the stock proportionately, the shares to be exchanged on a four for one basis, and formal approval was given to this arrangement in the following March. At the time of the exchange the stock, with a parity of $100, was selling at 190. Immediately thereafter it started off on the $25 basis at 43, and before the end of the year had gone as high as 66. In January last the low point was 65, so that in the intervening seven months it has appreciated more than twenty-five points. In some quarters there is a disposition to believe that the advance has something to do with a coming decision of the directors in regard to the Drimilk subsidiary. The Drimilk Company, Limited, was incorporated in Ontario in the spring of 1920, with an authorized capital of $150,000. In June of the following year this was increased to $250,000. By March of this year there had been allotted and issued by the company $50,000 in common stock and $170,000 in preference stock, all of which belonged to the City Dairy Company. On March 25 last the Drimilk Company secured a Dominion charter under the same name with an authorized capital of $1,250,000, consisting of 30,000 shares of common stock and 20,000 shares of preference stock, both of the par value of $25 per share. The Drimilk Company is thus a completely owned subsidiary of the City Dairy Company. There is no thought in the Street that the City Dairy Company will part with its control of the Drimilk Company, but not a few are of the opinion that the directors may decide to give one share in the latter company for each of the shares held in the former.

British Columbia May Get British White Lead Plant

VANCOUVER.—New evidence of demand for the products of British Columbia's mineral deposits and also of the important part the B. C. Chamber of Mines can play in bringing the mining industry to the attention of all parts of the world, is afforded in the following letter from Pyros Chemical & Engineering Co., Ltd., London:

"We have under consideration plan to erect and operate a white lead plant in the western part of Canada, probably near Vancouver.

"We would be pleased to know if we could obtain through your chamber 1,000 tons of lead ore. The ore must be free from pyrites and such ingredients which may have a bad influence on the quality of our white lead. The ore which we require should contain 80 per cent. of lead and be crushed into pieces about half the size of a small pea. The 80 per cent. is not quite necessary; ore of 78 per cent. might do as well if it is clean."

Company to Make Clay Products on the Prairies

REGINA. — Manufacture of white stoneware, wall tile, floor tile, sanitary ware, terra cotta, dinnerware and hotel china from Saskatchewan clays will be undertaken by the International Clay Products, Limited, a new company just incorporated here.

Half a section of clay land near Readlyn and another 320 acres near Knollys, in the southwest of the province, have been acquired by the company, which is capitalized at $150,000, of which $50,000 preferred stock will be offered to the public shortly. The company has acquired the plant formerly operated by the Estevan Brick and Coal Co., including 200 acres of coal property.

The new company is headed by M. L. Moyer, manager of the Regina Marble and Tile Co., Ltd.; G. A. Calvert, Yorkton; Dr. E. A. McVusker, Regina; M. W. Sharon, Regina; I. H. Bowman, Regina; H. A. Knight, Regina; G. C. Rooke, Regina, and C. C. Smith, Estevan.

CANADIAN PREST-AIR

Canadian Prest-Air Limited has completed the first unit of the Montreal plant, begun over six months ago, and commenced operation last week. The output will be largely under contract for industrial use. Under the trade name of Dry-Ice, carbon dioxide in solid form is being manufactured for refrigeration purposes. Dry-Ice is 140 degrees colder than water ice. The company claims to be able to sell Dry-Ice at a price which can successfully compete with all other methods of refrigeration.

Man in the Street Incapable of Judging the Cost of Power

Power Rates Must Always Vary With Plants—Rates Based on Costs Plus Load Factor. What Load Factor Is

From Our Own Correspondent

MONTREAL.—Every once in a while up comes the old question of a comparison of power rates between various companies. Sometimes they are competing concerns and sometimes they are not. But everybody, butcher, baker, candlestick maker, immediately steps into the breach with letters to the papers and does not hesitate to state definitely that such and such a company provides power at a lower rate than another.

What are the facts? Simply this, that the average man, even if of good education, is no more equipped to judge the evidence with regard to power rates than he is equipped to judge the evidence which would bear out Einstein's theory of relativity. This is bitter aloes for lawyers to swallow, as it is their invariable habit to state, whenever they are stumped in any technical discussion, that, although they have not been technically trained, yet they have been trained to judge and weigh evidence.

Yet the fact remains that lawyers, or anyone else who has not had a technical training, cannot definitely say that one company sells at a higher price than another. The reason is not far to seek.

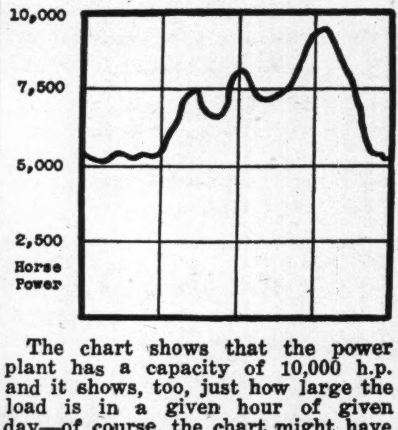
There are only two factors on which power costs or charges are based. The first is the cost of developing the site per horsepower, and the second is that mysterious thing known as "load factor."

Costs Depend on Load

If one company has a load factor of 80 per cent., whereas another has a load factor of but 50 per cent., in the latter case the actual cost of power to the producer, and, naturally, to the consumer, too, must be higher than in the former. That is, of course, taking it for granted that development costs per horsepower are identical in each case. Nevertheless, there are indeed many people who do not hesitate to speak authoritatively about power rates who have never heard of load factor; yet this is the most important variable on which the cost of power, either to the producer or to the consumer, rests. Now, to carry on with the argument to prove that a non-technical man cannot argue the question of power costs, it is necessary to find out just what this "load factor" is. Here a little imagination is necessary. Imagine a small town, served by one hydro-electric, or steam plant, with a capacity of, say, 10,000 h.p. From midnight until about six in the morning, the load which the generators carry is very light; at 6 o'clock the tramways begin to run, housewives are using their electric stoves, and people are beginning to work, consequently, between six and about nine, the load increases rather rapidly and comes to a fairly high peak, and then it drops off a little until about 12 o'clock, when street-cars are crowded and much current is being used. Through the afternoon, until about half-past three or four, housewives are sleeping, husbands are working, and the load on the tramways is reduced, so that not so much power is consumed. But from 4 o'clock on, the amount of power in use rises to a maximum peak. This lasts until about seven. Everything is working at the same time, factories, office lights, lights in houses and the tramways.

Amount Made Does Not Vary

At this point, it is well to remember that the power plant has been turning out 10,000 horsepower all through the twenty-four hours, but only a certain amount of it has been used, varying with time of day. Now the way to find out what "load factor" is, is to record graphically the curve which shows the different amounts of power consumed during the whole twenty-four hours. The graph would look something like this:



The chart shows that the power plant has a capacity of 10,000 h.p. and it shows, too, just how large the load is in a given hour of given day—of course, the chart might have been drawn up to show the load over a week, a month, or a year. But, anyway, this is where load factor comes in.

The load factor in the graph above stands at about 67 per cent. This figure is arrived at quite simply—it is the percentage of the space in the graph which is occupied by that portion lying below the curve representing the load. Take another example. Suppose the load was steady, did not vary, and this power plant sold a continuous supply of 7,500 h.p. In this case the load factor would be 75 per cent.

From all this it is easy to understand why the power companies are all anxious to increase their load factors. The nearer to a 100 per cent. load factor, the lower the cost of the power—as a rule, both to the company itself and to its customers. All this explains why companies will sell off-peak power at low rates. For instance, in the company whose load is graphically shown above, it can be seen that it would be eager to sell power between the hours of midnight and 6 a.m.

One final thing about this load curve. The bigger power companies serve many communities, and, of course, each town or city has a different curve representing its load factor. Funnily enough, the curve of each community is usually so characteristic that company engineers can tell the town which is being supplied by merely glancing at the proportions of this curve. Comparisons are odious—especially is this so in the case of the rates of various power companies.

Patricia District is Attracting Prospectors

COCHRANE.—Prospectors in large numbers are going into the Patricia district, the farthest northwestern portion of Ontario, which embraces about one-third of the total area of the province, lying north and west of Albany river and James Bay, extending to the Manitoba boundary. The character of the rocks, with the occurrence of the pre-Cambrian formation, gives reason to expect the discovery of valuable mineral deposits. A report by the late Willet G. Miller, provincial geologist, some years ago expressed the opinion that the keewatin rocks should contain deposits of gold, iron and other metals. One of the chief objectives at present is to trace out the formation which extends from Bulldog lake, Man., across the boundary into Ontario. Recent reports are to the effect that these formations have already been located and some large veins discovered, on which prospecting operations are now in progress. Among the prospectors in the field are parties sent out by the Hollinger Consolidated, Dome Mines, Nipissing, Huronian Belt and other mining companies.

BREAK IN B. C. FISHING

MONTREAL.—British Columbia Fishing and Packing was subjected to a considerable volume of selling, which resulted in a rather sharp break in the stock, which has been giving quite a good account of itself for some time. The fact that a great deal of the selling pressure came from Toronto, which is the headquarters of the pool which has recently been operating in the stock, naturally gave rise to the theory that the pool may have realized and is now prepared to let the stock drift for itself. However, there are dissenters from this view, and, in any event, the stock has quite an army of supporters on the strength of its comfortable financial position and the fact that it has no bonds or preferred stock prior to the common and in view of the fact, moreover, that the company is enjoying better business.

BIG DROP IN OUTPUT OF IRON AND STEEL

But Prospects Good for Increase in Demand from Implement and Auto Firms

Something of the falling off which has taken place in the activities of the steel and iron industries in Canada is seen from the reports of the first half year. The cumulative production as reported by the Bureau of Statistics was only 290,892 tons in comparison with 427,105 tons for the same period last year and 435,000 tons for the first half of 1923. The bright feature of the situation is that reserves have run rather low, and the outlook is for a marked improvement in demand especially for farm implement and automobile parts orders.

June pig iron figures were 45,883 tons which was a drop of 27 per cent. from the May output. During the month one furnace at Sault Ste. Marie, Ontario, was blown out, while at Sydney, N.S., one furnace was blown out and one banked. Two furnaces remained in blast at the end of June, one at Hamilton and one at Sault Ste. Marie. The capacity of the furnaces active at the end of the month was 775 tons per day, or about 15 per cent. of the possible output of all blast furnaces in Canada.

Further reflecting the lowered output of pig-iron, the production of steel ingots and castings fell to 63,140 tons or 37 per cent. under the May record. The decline was altogether in the production of basic open hearth steel ingots intended for the further use of the reporting firms. This grade dropped to 60,983 tons as compared with 98,613 tons for the month preceding.

Slight Drop in Steel

The cumulative production for the first six months of the year was considerably below that for the first half of last year. The figures were 423,697 and 488,733 tons respectively, which is a drop of approximately 13 per cent. The output this year was composed of 413,891 tons of steel ingots and 9,806 tons of steel castings, two per cent. of the total being intended for sale. During the same period last year 469,551 tons of steel ingots and 19,182 tons of steel castings were produced and of that total, 4 per cent. was intended for sale.

Pig iron prices have again moved to lower levels. In June No. 1 Foundry was quoted at $25.35 at Toronto, and No. 2 Foundry at $24.85 as compared with $26.10 and $25.60 respectively, in May. In Montreal both grades were $27.25 as compared with $28 in May.

Despite the radical decline in production and in demand, during recent weeks, there are indications of an improvement in both, especially as the revenue from the grain crops begins to be a factor.

The Stock Market Record

WEEK ENDING JULY 28

	Div. Rate	Yield July 27	High for wk.	Low for wk.	Close July 28	Close July 21	Sales	Range 1925 High	Range 1925 Low
Banks—									
Commerce	12	5.82	206¼	205¼	206	203	97	210	194¾
Dominion	12+1	6.33	205½	204½	204½	203½	27	205½	189
Can. Nationale	10	6.75	150	148	148	150	3	151	148
Imperial	12	6.00	200	199	200	197	160	197	184
Montreal	12	4.80	250	249¼	250	249	212	250	240½
Nova Scotia	16	5.86	273½	235	273½	275	25	275	262
Royal	12	5.10	235½	235½	235½	235	181	237½	227½
Standard	12	6.81	176	175	176	177½	71	177½	170
Toronto	12	5.85	..	..	..	..	..	221	192¾
Union	8	6.89	117	114¼	116½	114½	274	117½	105
Paper—									
Abitibi, com.	4	5.94	67½	66	66¾	66¾	1013	75	62
Do. pref.	7	6.71	104¼	104¼	104¼	101	5	108	101
Brompton Pulp	.	....	23¼	18½	23¼	18½	2795	33¼	18½
Laurentide	6	7.33	82	79	81¾	79½	3065	87⅞	75
Price Bros.	2	4.25	49¾	47	48	49	2285	50	35⅛
Prov. Paper, com.	6	6.12	..	..	..	..	..	111½	88¾
Do. pref.	7	7.07	99	98½	98½	98¾	80	102	95
Belgo, com.	6	7.40	81	80¼	81	81	135	86	80¼
Do. pref.	7	7.21	97	96¾	96¾	97	80	97¼	95¾
Smith, Howard, com.	.	....	39¾	39	39¾	39	65	42	21¼
Do. pref.	8	7.61	..	..	..	..	..	106	69½
Spanish River, com.	7	6.73	105	102¼	104	102	580	111¾	87
Do. pref.	7	6.16	114	113	113	113½	805	127	112½
St. Maurice Paper	6	7.10	84½	84	84½	82	180	86	81¼
Wayagamack	.	....	49½	49½	49½	50	5	52	34½
Steel and Steel Industries—									
B.E. Steel, com.	.	....	2	2	2	1½	100	3¾	1½
Do. 1st pref.	.	....	24½	23	23¼	23	290	34	22
Do. 2nd pref.	.	....	7½	7	7½	7½	35	11¼	6¾
Can. Car & Found., com.	.	....	38	38	38	39	25	57⅞	38
Do. pref.	7	8.75	80	78¼	78¼	80	45	90¼	78½
Can. Foundries, com	.	....	..	..	..	..	..	35	20
Do. pref.	.	....	..	..	..	..	..	50	40
Can. Locomotive, com.	.	....	..	..	..	..	..	71⅞	64
Do. pref.	7	8.97	..	..	..	..	..	90	76
Dominion Coal	.	....	40	39¾	40	40	65	50	40
Dominion Iron, pref.	.	....	..	..	..	..	..	28	25
Dominion Radiator	7	6.98	..	..	..	..	..	102½	100
Dominion Bridge	4	4.54	89½	88	88	90	165	94½	77½
Dom. Steel Corp., pref.	.	....	..	..	..	..	..	38	25
N.S. Steel, pref.	.	....	..	..	..	..	..	32	28
Ontario Steel, com.	4	6.89	58½	58	58	59	135	61	43
Do. pref.	7	7.29	99	99	99	99	10	100	91½
Twin City, com.	4	6.29	65	61½	62½	65	1636	70	58
Do. pref.	7	7.21	..	..	..	..	..	97	94½
Winnipeg Elec., com	1	....	53	40¼	53	50½	8157	53	35¼
Do. pref.	7	7.44	94	94	94	94	30	98	88
Can. Conn. Cotton, pref.	1	....	..	..	..	..	..	50	39
Con. Converters	7	7.77	90	89½	90	89½	55	90	80
Can. Cottons, com	8	6.66	120	120	120	120	100	120	106
Do. pref.	6	6.31	95	95	95	94½	23	95	90
Can. Woollens, com.	.	....	..	..	..	..	..	14½	5
Do. pref.	.	....	54	54	54	54	10	58	40
Dom. Textile, com	5	5.74	87	83½	86¾	84¾	6725	87	66
Do. pref.	7	6.03	116	116	116	116	37	117	111
Monarch Knitting, com.	.	....	..	..	..	..	..	45	30
Do. pref.	.	....	..	..	..	..	..	80	45
Montreal Cotton, com.	6	6.06	100¼	100¼	100¼	99	5	100¼	95
Do. pref.	7	6.25	112	112	112	114	18	114½	109
Penmans, com.	8	5.03	159	158	158	158	86	166	158
Do. pref.	6	5.94	..	..	..	..	..	101	99
Wabasso Cotton	4.00	6.45	62	61	62	57	245	62	55½
General Industrials—									
Amer. Salesbook, com.	4.00	8.33	48	48	48	48	5	50½	38
Do. pref.	7	7.56	92½	92½	92½	92¾	6	94	88
Asbestos, com.	1	....	75¾	71	75	71¼	2559	83¾	35
Do. pref.	6	5.50	109	104¼	105½	104	3481	117	73½
Atlantic Sugar, com.	.	....	34⅜	32½	34½	33⅞	4331	34⅜	13
Do. pref.	.	....	80¼	79	80	80⅜	250	93¼	77
Bird & Son, pref.	7	8.58	81½	81½	81½	81½	2	93¼	77
B.C. Fishing	.	....	47½	43¾	45	47¼	1710	50	19
Brantford Cordage, pref.	.	....	26¼	26	26¼	26¼	115	26½	26
Burt, F. W., com	10	4.46	58½	52¼	55⅞	52½	1401	58½	40
Do. pref.	7	3.50	..	..	..	..	..	213	142½
Canada Cement, com.	6	5.82	104½	102½	104½	104	2056	117	73½
Do. pref.	7	6.08	115	114	115	114	127	115½	107
Cons. Rubber, pref.	7	8.23	..	..	..	..	..	90	85
Can. Gen. Electric, pref.	7	6.58	53½	53	53⅛	45	504	55⅛	51
Can. Indust. Alcohol	1.28	8.02	15½	15	15	15½	2215	20½	14
Canadian Salt	8	5.88	..	..	..	..	..	136	112
Christie Biscuits, com.	.	....	..	..	..	..	..	56½	31¼
Do. pref.	7	5.93	..	..	..	..	..	118	109¼
City Dairy, com.	12	3.25	90½	84½	88½	84½	1125	90½	65
Do. pref.	7	6.54	107	106	107	106	37	110	104½
Crows Nest Coal	3	6.38	47	47	47	47	10	49½	35
Cuban Can. Sugar, com.	.	....	6	6	6	5	50	10	5
Do. pref.	.	....	32¾	32¾	32¾	34½	70	44½	31
Wm. Davies	.	....	..	..	..	..	..	32	24
Dom. Canners, com.	.	....	114¾	105½	111	106	1235	114¾	97
Do. pref.	7	6.20	113	108½	110¾	108½	341	113	56½
Dom. Glass, com.	7	6.45	108½	108½	108½	109	115	116⅞	108½
Do. pref.	7	6.22	114	112⅜	114	113⅛	165	114	110¼
Dominion Stores, com.	1.00	....	40	40	40	40	100	40⅜	24
Do. pref.	8	8.00	100	100	100	98¼	13	101	97
Steel of Canada, com.	7	8.18	86	85¼	85½	85¾	809	89	75¼
Do. pref.	7	6.30	111½	111	111	110¼	60	112½	105
Milling—									
Canada Bread, com.	4	8.88	46	44¾	45	46	772	130	39½
Do. pref.	7	6.73	104	103	104	103¼	113	107½	100
Do. B. pref.	.	....	92½	91	92½	92	594	92½	85¾
Inter. Milling, pref.	7	7.07	99	99	99	99	27	102	97
Lake of Woods, com	12	6.52	184	184	184	184	20	188	176
Do. pref.	7	5.60	..	..	..	..	..	125½	121
Maple Leaf, com.	.	....	86	85	86	86	22	100	80
Do. pref.	7	7.14	98	98	98	98	90	101	96
Ogilvie Flour, com.	3¼	....	163	154	163	154	1650	163	135
Do. pref.	7	5.53	..	..	..	..	..	127	121½
Shredded Wheat, com.	10	10.00	..	..	..	..	..	155	155
St. Law. Flour, com.	4	....	..	..	..	..	..	65	20¼
Do. pref.	7	8.75	80	80	80	80	25	80	75¼
West. Can. Flour	8	7.40	110	108	108	110	41	112½	105
Utilities—									
Bell Telephone	8	5.71	140	139	139¾	139	366	140	133
Consumers Gas	10	5.78	173	172	172	173	100	173	164
Laurentide Power	5	5.00	100	99	100	100	30	101	93¾
Kaministiquia	8	7.27	..	..	..	..	..	125	100
Mackay, com.	7	5.51	127¾	127	127¾	127¼	125	130	114½
Do. pref.	4	5.83	69	68	68½	69	54	69½	67
Mexican Light, com.	.	....	22	22	22	23	10	26⅜	22
Do. pref.	.	....	..	..	..	..	..	62⅜	57
Mont. L. H. & Pr. Cons.	8	4.12	195	192½	193¾	194	2329	195	152
Montreal Telegraph	8	6.95	..	..	..	..	..	50	42
Ottawa L. H. & Pr.	6	6.25	96	95½	96	97	28	105	95
Do. pref.	6½	6.28	103⅜	103½	103⅜	103⅜	55	105½	101
Quebec Power, com.	5	4.71	106	104½	106	104	414	106	80
Do. pref.	7	6.39	109½	109½	109½	109	178	110	103½
Shawinigan	7	4.24	165	158½	164½	159½	1627	165	130½
South. Can. Power, com.	1.00	....	78	76	76	78	40	84	67
Transportation—									
Can. Pacific Rly.	10	6.99	143	142	143	142½	220	152¼	137
Can. Steamships, com.	.	....	10½	9½	10½	10	11	13¾	10
Do. pref.	.	....	46	44½	45½	45	294	50	42
Tractions—									
Barcelona	.	....	21	20½	20¾	21	296	24⅛	18¾
Brazilian	4	6.72	60	58	58¾	59	6503	60	49½
Detroit Un. Rly.	.	....	1½	1½	1½	1	278	29	1
Duluth-Superior	.	....	34½	33¼	34½	34	33	42	33
Illinois Traction, pref.	6	6.31	95⅛	90½	95⅛	95	55	95½	90½
Montreal Trams.	10	5.78	..	..	..	..	..	173	160
Ottawa Traction	4+1	7.81	64	64	64	64	50	65¼	62
Porto Rico Rlys., com.	.	....	45½	45½	45½	45	33	46⅜	35½
Do. pref.	7	7.95	..	..	..	..	..	91¼	84
Quebec Rly.	.	....	..	..	..	..	..	24½	20
Dodge Bros., com.	.	....	28¼	28	28¼	29⅛	130	30⅜	22
Do. pref.	7	8.40	83¼	83	83¼	82½	50	84⅛	80⅛
Eastern Theatres, com.	.	....	14½	14½	14½	14	10	15	14
Do. pref.	7	9.58	..	..	..	..	..	76	70
Ford Motor	10	....	..	..	..	..	..	512	500
Gilman, com.	.	....	..	..	..	..	..	110	100¼
Do. pref.	7	6.57	..	..	..	..	..	100½	90
Goodyear Tire, pref.	7	7.65	92	91	91¾	91⅜	383	100½	90
Frontenac Brew., com.	.	....	..	..	..	..	..	65	54
Do. pref.	7	7.67	..	..	..	..	..	82	65
Holt, Renfrew, pref.	.	....	..	..	..	..	..	82	65
King Ed. Hotel	.	....	..	..	..	..	..	..	..
Lyall Construction	.	....	18	17½	18	17½	42	29	11
National Brew., com.	.	....	44½	42½	43½	44¾	915	68	41¼
Do. pref.	7	7.00	..	..	..	..	..	106½	98
National Brick, com.	.	....	..	..	..	..	..	18	15
Do. pref.	7	9.33	75½	75	75	75	30	79½	70
Pacific Burt, com.	6	6.41	..	..	..	..	..	96	91½
Do. pref.	7	6.93	..	..	..	..	..	107	101
Port Hope Sanitary, com	.	....	65	65	65	65	15	65	53
Do. pref.	7	7.58	..	..	..	..	..	92½	88¼
Pure Gold Mfg.	50c	....	23½	23½	23½	23½	10	25¼	23½
Rogers, Wm. A., com.	.	....	..	..	..	..	..	65	53
Do. pref.	7	7.82	89½	88¼	89½	88¼	10	95	88
Russell Motor, com.	.	....	33¼	33	33¼	33¼	19	35	24
Do. pref.	7	8.64	81½	80½	81	85	38	86	74½
Sawyer-Massey, pref	.	....	13	13	13	13½	5	15	5
Sherwin-Williams, com.	6	4.80	..	..	..	..	..	130	115
Do. pref.	7	6.48	108½	108½	108½	108⅛	30	108½	104¾
Sterling Coal	4	....	40	40	40	40	10	53	40
Tooke Bros.	.	....	..	..	..	..	..	8	8
Do. pref.	.	....	62	62	62	62	60	62½	37
Tuckett Tobacco, com.	4	6.34	63	63	63	63	155	70	59
Do. pref.	7	7.03	99½	99½	99½	99½	10	102¼	96¾
Woods Mfg., com.	.	....	..	..	..	..	..	49	20
Do. pref.	7	10.00	..	..	..	..	..	75	64⅛
Western Grocers	.	....	..	..	..	..	..	11¼	4½
Trust and Loan—									
Canada Landed	10	5.37	93	93	93	93½	1	97	80
Can. Permanent	12	5.94	202	200	202	202	89	209	190
Colonial Invest.	6	....	4⅜	4¼	4⅜	4½	18	4⅜	4
Hamilton Prov.	10	6.45	..	..	..	..	..	156	154
Huron & Erie	7	5.46	..	..	..	..	..	125	125
Landed Banking	9	6.33	..	..	..	..	..	142	142
Montreal Loan	12+1	6.76	..	..	..	..	..	48	45
National Trust	12	5.42	..	..	..	..	..	223	210
Ontario Loan	11	5.55	..	..	..	..	..	100	99
Real Estate Loan	7	8.04	..	..	..	..	..	88½	87
Toronto Gen. Trusts	12	5.66	212	212	212	212	10	212	208
Toronto Mortgage	10+1	5.94	..	..	..	..	..	92	87¾
Union Trust	7	8.23	..	..	..	..	..	85½	85½

MINING STOCK QUOTATIONS

WEEK ENDING JULY 28

	Par Value	Div. Rate	Yield	High for wk.	Low for wk.	Close July 28	Close July 22	Sales for wk.	Range 1925 High	Range 1925 Low
Apex	1	..	..	..	..	..	..	....	4	2½
Algonquin	1	..	..	1½	1	1½	2	8000	3	1
Argonaut	1	..	..	26	25	25½	25¾	40650	48	22½
Atlas	1	..	..	..	..	..	..	....	5	2½
Baldwin	1	..	..	2¾	2⅜	2¾	2¾	16000	7	2½
Barry Hollinger	1	..	..	46	41	46	40	14300	50	40
Beaver	1	..	..	33½	31½	33½	32	14100	37	25½
Bidgood	1	..	..	6¼	6	6	6¼	5500	16¼	5½
Boston Creek	1	..	..	..	..	..	..	....	7	4½
Buckingham	1	..	..	2¾	2¼	2¾	2½	15,000	5⅞	2¼
Canadian Lorrain	1	..	..	39	35	35	32½	2000	50	23
Capitol	1	..	..	26	25	26	24	5700	37½	24
Castle Tre.	1	..	..	95½	93	93	94½	42150	95½	71
Clifton	1	..	..	6½	5	5¼	6½	38500	25¾	5
Coniagas	5	5	14.2	1.75	1.75	1.75	1.75	200	2.30	1.45
Coniar'm	.	..	..	..	..	..	..	....	2.45	1.00
Col. Kirkland	1	..	..	2¾	2½	2½	2½	7500	10½	2¼
Cons. Smelters	25	5	1.7	1.16	98	111¼	98⅞	20955	116	48
Cons. W. Dome	1	..	..	15	14	14⅛	14	92050	22	11
Crown Reserve	1	..	..	24½	18	18	24¾	93000	54½	18
Davidson C.	1	..	..	3½	3½	3½	3½	3000	5	2
Dome Mines	1	..	..	15.00	14.90	14.90	15.10	1443	16.50	12.90
Everett	1	..	..	5¾	5	5¼	5	42500	10	4⅜
Goldale	1	..	..	16½	16	16½	16½	31300	22½	14¾
Gold Reef	1	..	..	1½	1⅜	1⅜	1½	8500	2	1
Hattie	1	..	..	1⅛	1	1⅛	1¼	3000	2¾	½
Hattie, pref.	1	..	..	9	6⅞	6⅞	8¼	31700	67	4⅜
Hillcrest, com.	1	..	..	80½	80	80½	80	30	80½	78¼
Hollinger	5	20.80	7.00	14.90	14.80	14.85	14.89	3270	15.65	13.35
Hunton	1	..	..	4⅞	4⅞	4⅞	4⅞	1500	8½	4¾
Indian	1	..	..	5½	5	5	5½	16000	17	5
Inspiration	1	..	..	..	..	..	..	....	10	7
Inter. Nickel, com	1	..	..	30⅛	29⅞	30	30⅜	260	31	24¾
Keeley	1	..	..	1.85	1.75	1.81	1.77	16845	2.32	1.75
Keora	1	..	..	15¾	14⅞	14¾	14¾	118350	19½	9
Kirk Lake	1	..	..	44	41½	42	41½	29000	50	35
Lakeside	1	20+5	5.5	4	3½	3½	4	12500	15¼	4
Lake Shore	1	..	..	6.20	6.10	6.15	6.10	7320	6.20	4.51
La Rose	1	..	..	48¾	46	46	49	9950	55	7½
Lorrain	1	..	..	14½	12	12	13¾	107000	24	12
Lorrain T. L.	1	20	20	1.00	98	1.00	1.02	750	1.34	90
McKinley	1	..	..	28¾	28	28¾	28¾	12000	44½	15¾
McIntyre	5	20	5.2	19.01	18.51	19.00	18.77	6770	19.01	16.00
Mining Corp.	5	10	19.4	2.58	2.55	2.57	2.57	3200	3.16	2.35
Moneta	1	..	..	15¾	14	15½	14	16100	18¾	13
Newray	1	..	..	23	22	22¾	21½	3800	28½	17
Nipissing	5	12+6	18.3	4.90	4.85	4.85	4.80	945	6.80	4.65
Night Hawk	1	..	..	23	23	23	23	500	49½	23
Ophir	1	..	..	..	..	..	..	....	7⅞	3
Peterson Lake	1	..	..	6½	6½	6½	6⅝	2000	12	6¼
Porc. Crown	1	..	..	6	4½	6	4	5000	8	3½
Premier Gold	1	32	14.2	2.25	2.17	2.17	2.20	4175	2.58	2.12
Preston	1	..	..	8½	8	8¼	8¼	18200	12	6¾
Teck Hughes	1	..	..	1.80	1.64	1.17	1.64	102385	1.80	1.23
Thomp. Krist	1	..	..	1½	1½	1½	1½	2000	3	1
Timiskaming	1	..	..	17	17	17	17	3500	30	15
Tough Oakes	1	..	..	40	36	38	37¼	41900	45	20
Trethewey	1	..	..	..	..	..	..	....	22	16¼
Vickers	1	1	..	3¼	3¼	4	4	4500	25½	3¼
Victory Silver	1	..	..	6¾	6	6½	5½	13700	31	5½
Vipond Cons.	1	..	..	1.26	1.10	1.22	1.10	60176	1.42	1.01
Wakenda	1	..	..	..	..	..	..	....	3½	1½
Wasapika	1	..	..	2	1½	1½	1	5000	3⅜	1
West Tree	1	..	..	2½	2⅜	2⅜	2½	3500	5	2
Wettlaufer	1	..	..	4⅞	4⅞	4⅞	4⅜	1000	16	3¾
Wright-Har.	1	20	3.8	5.25	5.05	5.25	5.10	750	5.25	4.15
Oil Companies—										
B.A. Oil	25	2+2	6.4	39⅜	39	39	39⅜	1514	41¼	36½
Imperial Oil	25	25c	7.7	33	32	32	33	832	34¾	27½
Inter. Pet.	5	25c	1.00	25⅞	25¼	25½	25¾	245	30½	22
Cont. Oil	.	..	..	28⅛	25¼	25½	25¾	275	29	22½
North Star, pref.	5	7	8.7	401	3.90	401	4.00	700	4.25	3.90

UNLISTED BONDS

(Montreal Stock Exchange)

	Bid	Asked
Abitibi 6% 1940	101¼	102
Alabama 5% 1962	98½	..
Algoma Steel 5% 1962	31½	32
Belding 5% 1936	85	..
Belgo Can. Paper 6% 1943	101	..
Brand-Henderson 5% 1939	90	..
Burns, P. & Co. 6½% 1943	100⅞	102⅜
Can. National Rly. 5% 1954	100¾	101½
Calgary Brewing 5% 1942	83½	..
Can. Steamship Lines 7% 1942	99¾	100¼
Can. Light & Power 5% 1949	..	41
Can. Pacific Rly. 5% 1934	99⅜	99⅞
Can. Steel Foundries 6% 1936	..	..
Dom. Iron 5% 1939	..	..
Dom. Power 5% 1932	96¾	..
Dom. Textile 6% 1949	106	..
East Koot. Power 7% 1942	101	102
Frontenac Brewing 6% 1951	..	..
H. Smith Paper 6% 1934	99	..
Lake Sup. Paper 6% 1941	105	..
Laurentide Power 5% 1946	101¾	..
Laurentian Power 6% 1936	99½	..
Maple Leaf Milling 6½% 1943	104	..
Man. Power 7% 1941	103	103⅜
Mattagami 7% 1949	30	..
Montreal Steel Works 6% 1940	100	..
Prov. of Ontario 5% 1948	100⅞	102⅞
Nor. Ont. Power 6½% 1931	98	97¾
Ontario Pulp 6% 1931	106	..
Price Bros. 6% 1943	100	100¼
Quebec Power 6% 1953	102½	103
South Canada Power 6% 1948	103½	..

UNLISTED SECURITIES

Industrials, Utilities, Etc.—

	Bid	Asked
Brooks Steamer (1 pref, 2 com.)	3½	5½
Can. Machinery, com.	4	7
Can. Machinery, pref.	12	17
Canadian Oil, pref.	91½	93
Can. Westinghouse, com.	147	150
Cockshutt Plow, pref.	34	36
Cosgrave Brewery	5.25	6
Dom. Comb. Mill (1 pref, 2 com.)	33	..
Dom. Power, pref.	91	93
Durant (A)	3.75	4.75
Durant (B)	4.75	5.75
Durant (C)	5.50	6.75
English Electric, pref.	41	43
Famous Players, com.	11½	13
Gunns, Ltd., pref.	32	35
Imperial Tobacco	6.75	7.50
King Edward Hotel Deb. A.	74	77
King Edward Hotel Deb. B.	52	55
K. & S. Tire, pref.	7	11
Loew's Toronto, com.	27	29
Loew's London, com.	1¼	2.00
Loew's Ottawa, pref.	14	17
Massey-Harris	53.50	57.00
Mount Royal Hotel, com.	5	6
Mount Royal Hotel, pref.	31½	32½
North Mexico Power, com.	31	33
Manitoba Power, com.	20.50	57.00
Rickenbacker Motors	3	4
Simpson, Robt., pref.	97.50	99.00
United Securities, com.	55	57
Western Grocers, pref.	29½	33

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Directors:
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Secretary, M. H. HUTCHISON; Treasurer, T. F. McNALLY; Asst. Treasurer, A. C. McMILLAN.

Woods Manufacturing Company, Limited

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Hessians, Buckrams
Paddings and Twine
Tents
Flags
Tarpaulins
Clothing and Cotton Fabrics

FACTORIES AT
MONTREAL, TORONTO, OTTAWA
WINNIPEG, WELLAND

HEAD OFFICE:
MONTREAL

EIGHT BILLIONS ON AUTOS

WASHINGTON.—Eight billion dollars are being spent annually in the United States for the purchase and maintenance of automobiles. There are now 17,500,000 cars and trucks in use, or one to every seven persons. Two billion dollars are being spent each year for the purchase of cars and the rest goes for accessories, gasoline, tires, repairs, and garage items.

Pulp and Paper

QUEBEC PULP AND PAPER MILLS WILL GO FORWARD NOW

Bondholders, Shareholders and Creditors of Old Companies Agree

From Our Own Correspondent.

MONTREAL.—Announcement was made this week that the collateral trust bondholders of the Saguenay Pulp and Paper Company have finally agreed to the reorganization plan which was approved by the majority of the other bondholders. This means that the way is now clear for the amalgamation of the Chicoutimi Pulp Company and the Saguenay Pulp and Power Company. The new company is to be known as the Quebec Pulp and Paper Mills.

At the present time the mills of the new company at Chicoutimi are working to full capacity, and orders on the books are sufficient to keep the plant running at full time up till November next. The pulp is being produced for export, both for England and for the United States.

All Details Arranged

As everything has been settled, the trustees for the bondholders will, within a week or two, remit cheques covering the bond interest due on July 1. The outstanding capitalization of the new company consists of $7,015,600 in 7 per cent. cumulative preferred stock, and $7,113,100 in common stock. The consolidated balance sheet of the two companies as at Dec. 31, 1924, showed that current assets amounted to $1,368,877 as against current liabilities of $1,438,465. The total assets are $17,707,634.

Holders of Chicoutimi bonds are to receive the full par value of their holding in new 7 per cent. preferred stock, and half the par value of their bonds in new common stock. The common and preferred shares in the new company have a par value of $100 each. The Saguenay 6½ per cent. bond holder will also receive one share of preferred and half a share of common for each hundred dollar bond which he holds, as will the holders of the Saguenay Light and Power Company bonds. Holders of the Saguenay 7 per cent. collateral trust bonds, however, receive 50 per cent. of the par value of their holdings in the new common stock, and the accrued interest on their bonds will also be paid by 50 per cent. of its value in common stock. The creditors of the two companies have agreed to take in full payment for their claims, 50 per cent. to be paid in common stock and the unsecured balance of the banks will be paid in the same way. The small block of stock in the ratio of 10 to 1 is being given to the Saguenay Pulp and Power Company, which it is expected it will distribute to its shareholders, one share in the new company for every ten in the old. Probably the old company will then be wound up.

For many months both companies have been operated as one concern, so that the announcement of the merger means little as far as actual operations are concerned.

The difficulties into which both companies were plunged was caused by the big Becker failure, and by this amalgamation the first mortgage bondholders should probably do well on their new investment. There remains only one thing necessary, it is the obtaining of the charter for the new company. This will be granted in a week or two.

Good Progress is Made On International Mill

From Our Own Correspondent.

MONTREAL.—Work on the new plant of the Canadian International Paper Company at Three Rivers is proceeding apace; there still remains a considerable amount of the masonry work to be finished. Work first commenced on the mill on December 1, 1924. Four additional machines of 90 tons each are to be installed, making eight in all. The production at the mill at present is 350 tons daily, and it is expected that machines 5 and 6 will be producing early in 1926, which will bring the production up to 525 tons. It is anticipated that the plant will be able to turn out its 700 tons a day by the summer of 1926. The largest mill in Canada at present turns out 525 tons a day.

The Canada Paper Co. is Enlarging Its Output

From Our Own Correspondent.

MONTREAL. — The Canada Paper Company has been busy for some months erecting an additional pulp mill at its plant at Windsor Mills, P.Q. The new mill is to produce pulp on a modified soda system, and, when finally completed, should mean much in cutting down costs due to the improved system on which the mill will operate.

The new method of production is known as the Keebra process and is a distinct step forward in the production of pulp. The new mill should be in actual operation shortly.

The company expects to still further improve its methods of production by the substitution of an old small paper machine with a new high speed and up to date one. The company has always followed the practice of increasing output gradually in order not to outstep the growth of the business, consequently the mill is always well supplied with orders.

Recently another water power site has been acquired by the company. It is capable of a development of some 12,000 horsepower and is situated on the St. Francis River. The plans for the development of this site have been finished and will be carried out just as soon as the mill enlargements are completed.

Manitoba to Have a Second Big Paper Mill

MONTREAL. — The Backus-Seaman application for a pulpwood berth in Northern Manitoba will be approved by the federal government, Hon. C. Stewart, Ottawa, Minister of the Interior, stated following a conference held in Winnipeg, Saturday. Mr. Stewart stated that he intended, on his return to Ottawa, to issue a contract immediately. E. W. Backus attended the meeting.

It is the intention of the Backus-Seaman interests to establish a 250-ton paper mill in Greater Winnipeg. The price the company will ask the government for the pulpwood has not been decided upon.

This will be the second large mill for Manitoba. The Spanish River-McArthur interests will start construction soon on a mill at Fort Alexander, near Grand Beach, Manitoba, 60 miles north of Winnipeg. Mr. Stewart stated that the contract given to Spanish River-McArthur interests, which operate under the name of the Manitoba Pulp and Paper Company, does not in any way prevent the Dominion government from entering into an agreement with the Backus Company.

REORGANIZATION FOR THE WHALEN PAPER COMPANY

Bondholders to Receive New Bonds and Preferred Stock

From Our Own Correspondent.

MONTREAL.— plan of reorganization has been arranged for the Whalen Pulp and Paper Company. This plan of financing is based on an offer made by the Royal Securities Corporation and recommended by the committee of the bondholders as a plan to place the British Columbia concern on a sound financial footing. The control is still to remain in this country.

The property will shortly be put up for sale; it is expected that the trustee for the first mortgage bondholders will be the only bidder at the judicial sale,—hence the company will pass into the hands of the first mortgage bondholders, and a new company will probably be formed. In brief, the offer made by the Royal Securities Corporation to the first mortgage bondholders is as follows:

The new company is to have an authorized issue of first mortgage bonds amounting to $7,000,000. Sufficient of these will be issued to exchange for first mortgage bonds of the old company, par for par. The new company will sell $1,500,000 of second mortgage 7 per cent. debentures. This will provide working capital. Cumulative 7 per cent. preferred stock will also be issued. Only sufficient of this new preferred stock will be issued to provide for the arrears of interest on the old 6 per cent. first mortgage bonds of the Whalen Pulp and Paper Company. Common stock will be issued for such an amount as may be approved by the Royal Securities Corporation. This last issue will be in consideration of the Royal Securities Corporation underwriting the issue of second mortgage debentures.

This means that should the 6 per cent. first mortgage bond holders of the Whalen Company buy out the entire undertaking and assets at the judicial sale which is to be held on August 31, and after that, should the bondholders accept the offer made by the Royal Securities Corporation, a holder of one $1,000 bond of the old company will receive one $1,000 bond in the new company plus $150 par value cumulative preferred stock—the issue of preferred stock takes the place of the arrears of interest on the old 6 per cent. first mortgage bonds.

There are outstanding at the present time $3,365,000 of serial bonds in the Whalen Pulp and Paper Company. The offer by the investment bankers calls for the issue of a like number of bonds in the new company, the only difference being that the old bonds were serial bonds, whereas the new will be straight term bonds maturing in 25 years.

The trust deed for the new first mortgage bonds is to contain a clause which will prevent the working capital from being reduced below $1,000,000 by the payment of second mortgage debenture interest, or sinking funds, or by the payment of any other dividend or the acquisition of additional assets. Should this working capital become lower than the required $1,000.000, the Royal Securities Corporation will purchase from the new company sufficient of the second mortgage debentures to make good the deficiency.

BARNJUM'S N. S. PAPER MILL

MONTREAL.—Frank J. D. Barnjum, member elect for Queen's, Nova Scotia, and protagonist of the pulpwood embargo, has made the final selection of a site—for the $5,000,000 paper mill he is to erect on the Mersey River in Nova Scotia. The location is almost on the line between Liverpool and Milton on the river. Mr. Barnjum is now negotiating for the purchase of the land required for the mill and the deal is said to be about completed.

ALCOHOL'S GOOD SHOWING

MONTREAL.—The months of July, August and September constitute the last quarter of the fiscal year of Canadian Industrial Alcohol, and are also the period of the year when the company experiences its best business, so that the official statement, that is for the first 9 months of the current year showing that net earnings have reached an amount substantially in excess of the full year's dividend requirements, indicates why the stock has shown a steadier tendency on the exchange recently.

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GRAND'MERE -:- QUEBEC

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Public Utilities

STEAM TO RULE IN THE LONG HAUL FREIGHT TRAFFIC

But Automobile is a Growing Factor in Local Transportation

NEW YORK.—Motor trucks and buses will hold an increasingly important place in transportation, but not so serious a position as to threaten the prosperity of the railroads, says L. F. Loree, president of the Delaware & Hudson, who has made a comparative study of the costs and performances of automobiles and railroads.

No hard and fast conclusions may be drawn because of the relative youth of motor truck and bus traffic, he says, but he believes that when gasoline-driven vehicles have had a thorough trial as long-haul carriers, costs and performances will not be found to compare favorably with those of the railroads. Technically, engineering and traffic conditions favor the railroads. He says:

"The motor truck will handle about one-tenth of the capacity of a railroad freight car, the frictional resistances are about nine times as great, the grades are perhaps ten times as severe on the average. While motor trucks are competitive in certain fields, they are no rival of the railroads in the larger aspect.

"For passenger movement, with the metaled surface roads now being built in such profusion, short-haul passenger business is likely to be very largely absorbed by this competitive agency. Both the railroads and the communities they serve will be wise if they actively and adequately adjust their operations to these new conditions.

"The opinion seems to be general that where many stops are made and these stops are of considerable length, the horse-drawn vehicle is decidedly cheaper than the motor truck for distances under six miles, and that where the distance traversed is so long the chauffeur is kept away from his home base over night, there is no profit in the movement. This distance is roughly 35 miles, so that the field of competition is generally a zone of say 30 miles in width."

Mr. Loree believes in the wholesale scrapping of mileage from which business has been largely taken by automotive vehicles and admires the courage of the Boston & Maine in cutting out its non-paying mileage.

New railroad construction should be watched more carefully than ever, he believes. Over-expansion has handicapped many railroads, and "because of the exhaustion of the resources they were built to serve, construction of competing lines of superior character, the destructive effect of automobile competition and other circumstances, there are as a minimum 30,000 miles of railroad that should be taken up and abandoned".

Shawinigan President Dickering With Paris

From Our Own Correspondent.

MONTREAL.—At the present time, J. E. Aldred, president of the Shawinigan Water and Power Company, and the head of the investment house bearing his name, is in Paris working on plans involving French public utilities. Some two years ago, interests headed by J. E. Aldred entered the Italian hydro-electric field. It is understood that he has closed some preliminary arrangements with reference to the electric light and power system in Paris—foreign bankers cannot secure control of the Paris public utilities, but they can probably arrange to purchase a substantial equity in these properties. It is understood that American banking interests, possibly headed by J. E. Aldred, may join in partnership with the French government in plans to extend the public utilities facilities in Paris, if present negotiations are successfully completed. French authorities are said to be trying to work out a plan whereby American financiers may float a consolidated loan in the United States. It is said that this loan will exceed $25,000,000 and will be used for the expansion of the Paris electric light and power, gas, street railway and subway systems.

Public Utility Earnings

BARCELONA TRACTION

June, 1925—	1925 Pesetas	1924 Pesetas
Gross	6,633,114	6,027,736
Operating	2,507,042	2,314,297
Net	4,026,072	3,713,439
Gross from Jan. 1st	43,578,063	39,929,452
Net from Jan. 1st	29,131,052	25,290,944

DETROIT UNITED

Six Months, ending June 30.

	x1925	1924	Dec.
Gross	$3,587,005	$4,368,194	$781,189
Net after exp.	562,269	586,970	24,701
Total income	915,926	1,006,289	90,363
Sur. aft. tax, etc.	47,590	235,176	187,586

xOperated January 1 to March 10 by company, and March 10 to June 30 by receivers.

SOUTHERN CANADA POWER

	June, 1925	1924	Increase
Gross	$96,109	$81,985	$14,123
Operating	39,473	39,549	x 75
Net	56,636	42,436	14,199
9 Months Ending June 30th			
Gross	$864,592	$784,550	$80,042
Operating	383,612	353,040	30.572
Net	480,980	431,540	49,469

xDecrease.

TWINE CITY TRANSIT SECOND QUARTER

	1925	1924	% Inc. or Dec.
Gross	$3,030,475	$3,132,667	—03.26
Operating	2,235,650	2,278,489	—01.88
Net	794,825	854,177	—06.95
Charges	554,091	605,812	—08.54
Income	240,733	248,365	—03.07

HALF YEAR

	1925	1924	% Inc. or Dec.
Gross	$6,384,466	$6,635,454	—03.78
Operating	4,599,710	4,803,094	—04.23
Net	1,784,755	1,832,360	—02.60
Charges	1,126,531	1,228,171	—08.28
Income	658,223	604,189	+08.94

JAMAICA PUBLIC SERVICE

	May, 1925	May, 1924	Incr.
Gross	$49,530	$48,519	$ 1,010
Oper.	31,541	31,718	x 177
Net	$17,989	$16,800	$ 1,188
Charges	6,883	6,431	451
Balance	$11,106	$10,369	$ 736

x—Decrease.

Earnings for 12 months ending May 31st

Gross	$592,515.95
Oper. exp.	393,673.49
Net	$198,842.46
Charges	80,296.00
Balance	$118,546.46

POWER PLANT ON OTTAWA PLANNED

Interests Headed by A. G. Munich, of Montreal, Plan Large Expenditure

From Our Own Correspondent.

MONTREAL. — Within a week or two. actual work will commence on the development of Chat Falls on the Ottawa River about 32 miles above the city of Ottawa. The power development is being jointly undertaken by the Ontario Hydro Electric and interests headed by A. G. Munich, managing director of the Kingdon Mining, Smelting and Manufacturing Company. The latter company is controlled by the estate of the late James Robertson, so that, naturally, there is an intimate connection between the Kingdon Mining, Smelting and Manufacturing Company and the James Robertson Company of this city.

The Kingdon company owns and operates lead mines at Galleta, Ont., and it is the company's intention to expand with the possibility of a zinc smelter on the Quebec side of the river, opposite its present plant, which is close to the projected development at Chat Falls.

Men will be out on the job within two weeks, and the work of building the dam across the river will commence. Because the power site is situated on the inter-provincial border, half the power will be the property of the Hydro Electric Commission and the other half will belong to the interests which are headed by A. G. Munich. Mr. Munich told The Financial Post that the substructure and the dam would be built for an ultimate capacity of 120,000 horsepower, half of which would go to Ontario and the other half would belong to himself and his associates. A large block of power will be sold to the Kingdon Mining, Smelting and Manufacturing Company.

Of the 60,000 horsepower belonging to the Munich interests, at first only 28,000 horsepower will be developed by two units of 14,000 h.p. In the power plant, room will be left for the additional units which will bring the plant up to its full capacity just as soon as the need for power warrants their installation. The hydro plant will be constructed on the Ontario side of the river, whilst the Munich plant will be on the Quebec side.

NET PROFITS OF TWIN CITY SMALLER

Improvement of First Quarter Was Considerably Offset by Returns for Second Quarter

Although the half yearly earnings report of the Twin City Rapid Transit Company shows an improvement of nearly 9 per cent. in net income, despite a decline of close to 4 per cent. in gross, the showing for the three months ending with June was not so favorable, the net income showing a decline of slightly more than 3 per cent. The net income of $240,733 after taxes and fixed charges, is equivalent, after allowing for dividend requirements on 7 per cent. preferred stock, to 85c. a share earned on 220,000 outstanding shares of common stock. This compares with $248,365, or 89c. a share in the June quarter of 1924. This, with other influences, no doubt accounts for the easier tendency in the market for the stock of late.

The Federal Court has ruled that the company for the next six months must abide by the decision of the Minnesota Warehouse Commission authorizing an eight cent cash fare, but requiring the sale of 10 tickets for 60 cents. There are two views as to the effect of this ruling. Some claim that the fare permitted under the decision will not be sufficient to enable the company to pay satisfactory dividends to its shareholders. On the other hand, the fact that the matter is now before the Federal Courts and will be reviewed by them at the end of the six months, which commence Aug. 1, is regarded as encouraging in that the consideration which the dispute will receive from the above named courts will be free from local or political influence, and that, therefore, Twin City's claim ought to receive absolutely fair treatment.

WINNIPEG POWER AND HYDRO HAVE MADE AGREEMENT

Regarded as Placing Company's Affairs in Sound Position

WINNIPEG.—Announcement is made that Winnipeg Electric Company and Winnipeg City Hydro had reached an agreement regarding division of territory to be served by either utility. Under this agreement Winnipeg Electric Company will retire from the city of Winnipeg as a power competitor, but will sell its power on a wholesale basis to the city Hydro. On the other hand, city Hydro will turn over its contracts in all the suburbs to Winnipeg Electric Company. Ratification of the agreement by the directors of the company and aldermen of the city is all that is necessary to put it into effect, and this appears assured.

Winnipeg Electric Company is considered to be favorably affected by this agreement. It means an end to the keen competition in power rates which has existed since 1912, and it also means the paying by the City of Winnipeg of several millions of dollars to the Winnipeg Electric for substations and power equipment which the city will take over. A market for the complete output of power from the Pinawa and Great Falls plants of the Winnipeg Electric Company will be assured, as the city undertakes not to go ahead with any further hydro-electric development until the output of the company's plants is fully absorbed.

It is felt in local circles that this agreement will definitely put the Winnipeg Electric Company in a sound financial position, with an assurance of continued dividends on its common stock from now on.

On Profit-making Basis

It is known that the company's other utilities, gas and transportation, are now on a sound profit-making basis. The company is reaping the benefit of economical operation from its new gas plant, while with regard to the street railway, announcement is made that the company purposes extending the one-man car operation over other portions of the city, and this will make for big economies in operation.

Under the power agreement all contracts for power outside of the City of Winnipeg will be supplied solely by the Winnipeg Electric Company. This, of course, means that the company will obtain the contract for the power for the new pulp and paper mill to be erected by the Spanish River Company. It is estimated that more than 30,000 horsepower will be required. It was also announced that E. W. Backus was assured of timber resources, and would also proceed with the construction of a 250-ton pulp mill, power for which will also be supplied by the Winnipeg Electric Company. Mayor Webb announced that the site of the mill had already been selected by Mr. Backus and his associate, G. Seaman.

A Bonus on Common of Ontario Steel Products

In addition to the regular quarterly distribution of one per cent. on the common shares, Ontario Steel products has declared a bonus of equal proportions. The 1¾ per cent. regular dividend of the preferred will be paid. The annual statement of the company for the year ending June 30, is expected to show a considerable improvement over that for the previous twelve months. It is stated in well informed quarters that the company earned at least nine per cent. on the common stock for the year ended June 30, 1925. The stock has risen from a market value of around 42 at the beginning of year to a bid price of 57, with 59 asked on the local stock exchange. Dividend payments on Ontario Steel Product common, which were discontinued on Feb. 15, 1922, were resumed on July 23, 1923. The earnings of the company in recent years have been running at a satisfactory rate and the directorate have been retiring its bonds, a call for offers of these bonds having been issued on June 11, when the sum of $2,450 was announced to be available for the purchase of Ontario Steel bonds under the sinking fund provisions in a trust deed executed in favor of the Royal Trust Company.

German rayon production capacity increased from 3 per cent. of world's total in 1914 to about 8 per cent. now. World's production in 1914 was 9,000,000 kilograms, in 1924 62,079,000 and 1925 production estimated 90,000,000 kilograms.

Idea of Electricity for Heating Homes is a Popular Myth

"People generally are hopeful and expectant when any theory is advanced or any suggestion made as to the possibilities of improvement or development of electric service. So many wonderful results have been attained by electrical experts in the past that the public mind is prepared for anything short of an actual miracle. When it is asserted that soon practically all the drudgery of labor will be eliminated by means of electrical appliances, and that heat will be released for our homes by simply turning an electric switch, with no dust or dirt, no laying in a supply of coal and no worrying over stoves and furnaces, there is a ready response in the public mind, accepted more readily, no doubt, because the wish is father to the thought.

"Electric heating is, from an economic standpoint, a sort of alchemist's dream. We all know that electricity does produce heat, and we all realize and appreciate what a wonderful thing it would be to dispose of our coal piles and ash pits, and smoke, dust and cinders, and would, therefore, fain think it practicable. But a most cursory study of the subject, either from the standpoint of thermal dynamics, or social or economic science, shows that it is utterly impossible."—Public Utilities Commission of Idaho.

"To many people the word 'electric' stands for a species of magic that is supposed to be beyond the reach of economic laws. This, of course, is not true, but it has fostered an unwarranted faith in the commercial possibilities of electric cooking."—Ohio State University.

"An attempt is here made to eradicate, if possible, from the popular mind, this idea that electricity is destined to take the place of coal or other fuels for the heating of houses, offices, etc., on an extensive scale; and, at the same time, to indicate in what manner electric energy may be most useful and economically applied for heating purposes."—Report Ontario Commissioner.

LOBLAW PROFITS NEARLY $3 SHARE ON COMMON STOCK

Showing Considerably Better Than Prospectus of April

With net profits of $275,615, or more than 50 per cent. of the entire issue of prior preference stock outstanding, and sufficient to take care of all preferred dividends and leave over $200,000 for the 72,000 shares of no par value common stock, Loblaw Groceterias, Ltd., makes a very satisfactory report for the year ending April 30. It may be pointed out as of particular interest to the shareholders and the investing public generally that the actual results for the year exceeded by more than $25,000 in net profits the estimate made in the prospectus made at the time the five per cent. cumulative prior preference shares were offered to the public in April last. A brief summary of the company's progress during the past five years may be given as follows:

	Grs. sales	Net pfts.
1921 (9 months)	$ 694,932	$ 17,423
1922	1,829,577	67,339
1923	3,136,672	124,955
1924	5,066,386	211,776
1925	6,135,192	275,615

On the common stock a distribution of $1 a share was made.

The company's strong position is indicated in the balance sheet. During the year the depreciation reserve account increased from $89,532 to $142,131. The surplus account doubed, having increased from $202,865 to $413,566.

In April, 1925, the company created a new issue of seven per cent. prior preference shares, which were disposed of to a prominent Toronto firm of investment bankers. The balance sheet shows that at the end of May there was $534,800 of this stock outstanding, but during the year the old first preferred stock was reduced from $182,000 to $3,300, and the mortgages were reduced from $219,000 to $86,325. The new issue of prior preference shares provides for the wiping out entirely of the mortgages and the first preference stock issue.

Seven stores were opened during the company's year, making a total of twenty-nine. The balance sheet shows total assets of $2,115,289 compared with $1,899,645 a year ago. Current assets increased from $672,203 to $858,383; investments, including $15,000 in the Alberta company, from $15,533 to $30,033 and capital assets from $798,241 to $809,172.

THE ROYAL BANK OF CANADA

Statement to the Dominion Government (Condensed)

June 30, 1925

Head Office
MONTREAL

LIABILITIES	
Capital Paid up	$ 20,400,000.00
Reserve Fund	20,400,000.00
Undivided Profits	1,143,806.90
Notes in Circulation	29,012,826.74
Deposits	496,076,684.15
Due to other Banks	19,062,719.39
Bills Payable (Acceptances by London Branch)	6,208,827.19
Letters of Credit outstanding	26,724,313.30
	$619,029,177.67
ASSETS.	
Cash on Hand and in Banks	$105,543,005.62
Deposit in the Central Gold Reserves	11,000,000.00
Government and Municipal Securities	88,143,716.14
Railway and other Bonds, Debentures and Stocks	18,757,309.59
Call Loans in Canada	22,468,294.27
Call Loans elsewhere than in Canada	47,293,476.12
	$293,205,801.74
Loans and Discounts	282,054,593.63
Liabilities of Customers under Letters of Credit as per contra	26,724,313.30
Bank Premises	13,646,080.44
Real Estate other than Bank Premises	1,882,439.42
Mortgages on Real Estate sold by the Bank	495,949.14
Deposit with Dominion Government for Security of Note Circulation	1,020,000.00
	$619,029,177.67

655 BRANCHES IN CANADA, NEWFOUNDLAND, WEST INDIES, CENTRAL and SOUTH AMERICA, also LONDON, NEW YORK and BARCELONA.

Auxiliary: THE ROYAL BANK OF CANADA (France)

SAFETY DEPOSIT BOXES FOR TRAINS

Something new for train travelers comes from Germany in a plan for safety deposit boxes on through trains of the government railways. They would be rented to passengers to safeguard jewelry, money, valuable papers or other property.

The originator of the idea has figured a profit of from three to four million marks a year. Now watch for the American bank which will be the first to instal this moving service on trains.

NEW ISSUE

$400,000

Quinte & Trent Valley Power Company Limited

First Mortgage Thirty-Year Sinking Fund Gold Bonds Series "A" 6%

Dated July 1st, 1925 Due July 1st, 1955

Principal and semi-annual interest payable at par at any branch of the Standard Bank of Canada in Canada or at the Royal Bank of Canada in Halifax in Canadian Gold Coin. Coupon Bonds in denominations of $1,000, $500 and $100 each registerable as to principal only. Redeemable in whole or in part on any interest date at the option of the Company on 60 days' notice at 104 until July 1st, 1931; at 103 thereafter until July 1st, 1937; at 102 until July 1st, 1943; at 101 until July 1st, 1949; at 100 until July 1st, 1955.

TRUSTEE: The Chartered Trust & Executor Company, Toronto, Ontario

CAPITALIZATION

	Authorized	Issued
Thirty-Year First Mortgage Bonds (Series "A" 6%)	$1,000,000	$400,000
7% Preferred Stock	500,000	300,000
Common Stock no par value	10,000 shares	5,000 shares

From a letter of Mr. J. G. G. Kerry, President, we summarize, as follows:—

BUSINESS AND PROPERTY

Quinte & Trent Valley Power Company, Limited, incorporated by Letters Patent under the laws of the Province of Ontario, is constructing and will operate hydro-electric power plants at Frankford and Campbellford on the Trent River, Ontario. The Company has acquired power sites at these points, where machinery capable of developing about 6,000 h.p. will ultimately be installed. Much of the preliminary hydraulic development has already been done and the remainder of the work necessary for the installation of the first 4,000 h.p. at Frankford and Campbellford is being proceeded with. Satisfactory guarantees have been deposited with the Trustee providing that power will be turned on by July 1st, 1926, and that the works will be completed, free of contractors', employees' and all other liens. The Company will also furnish power to and will enjoy the net revenues of the Frankford Electric Light Company holding franchises from and contracts with the Municipality of Frankford.

SECURITY

The bonds will be secured, in the opinion of counsel, by a First Mortgage on the Company's real and immovable property now owned or hereafter acquired and also by a floating charge upon all the other properties and assets of the Company.

EARNINGS

Contracts have been entered into for a period of years with various users, including the Canadian Paperboard Company at Frankford and at Campbellford, for power at prices which together with earnings from smaller customers including the Frankford Electric Light Company will show earnings, after operating charges and sinking fund, sufficient to pay the bond interest more than twice over.

The mills with which the Company holds contracts are all old-established industries whose products have been before the public for twenty years or more and their contracts with the Company represent to them very material reductions of cost as against the rates that they have previously been paying for power supply.

EQUITY

The assets of the Company acquired prior to the proposed development and including power sites, lands, machinery, transmission lines, etc., have been valued by the Canadian Appraisal Company at over $350,000 for which securities junior to this issue of bonds will be outstanding. Assets, therefore, upon completion of the development now under way, will total over $750,000, against bonds outstanding to the amount of $400,000.

SINKING FUND

Commencing July 1st, 1927, and annually thereafter, the Company will pay to the Trustee for the Sinking Fund a sum equal to 1½ per cent. of the greatest amount of bonds at any time outstanding plus an amount equal to the annual interest on bonds redeemed. In lieu of cash, bonds of this issue may be deposited. All bonds purchased or lodged with the Trustee for Sinking Fund purposes shall be cancelled and no bonds issued in their place.

ENGINEERS' REPORTS

The developments have been favorably reported on by Messrs. Kerry & Chace, Limited, Consulting Engineers, Toronto, and by Mr. R. O. Sweezey, B.Sc., M.E.I.C., of Montreal, whose reports are on file at our office.

Legal details incident to this issue of bonds are being passed upon by Messrs. Kilmer, Irving & Davis, Toronto, for the Company and by Messrs. Tilley, Johnston, Thomson & Parmenter, Toronto, and by Messrs. Davidson, Wainwright, Elder & McDougall, Montreal, for the Bankers.

Price 98½ and accrued interest to yield about 6⅛ per cent.

We offer the above bonds when, as, and if issued and received by us, subject to approval by Counsel of all legal details. We recommend these bonds for conservative investment.

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News of the Mines for the Investor

THE PORCUPINE GOLDFIELDS TO BE REORGANIZED

Plan Has Already Been Favored at London Meeting

Important plans for the reorganization of the financial structure of the Porcupine Goldfields Development and Finance Co., which were favorably considered at an extraordinary general meeting of the shareholders in London on July 7, are outlined in an interim report of the company's operations sent out by the manager, F. R. Weekes. The proposals are in the main as follows:

(1) That the capital of the company be reduced from £1,000,000, divided into 1,000,000 shares of £1 each to £699,931 12s. 0d., divided into 499,886 shares of £1 each, and 500,114 shares of 8s. each and that such reduction be effected by cancelling capital which has been lost or is unrepresented by available assets to the extent of 12s. per share on the said 500,114 shares which have been issued and are now outstanding, and by reducing the nominal amount of the said 500,114 shares from £1 to 8s. per share, but such reduction is to be without prejudice to the company's right to sue for and recover all arrears of calls now outstanding and due in respect of any of the said shares, whether the same has been forfeited or not, and to the right of the directors of the company to annul any forfeiture upon such terms as they may think fit.

(2) That upon the said reduction of capital being confirmed by the court and becoming operative 385,948 shares numbered 500,115 to 886,062 inclusive, forming part of the 499,886 unissued shares of £1 each in the capital of the company, shall be sub-divided into shares of smaller amount so that each of such 385,948 shares shall be divided into five shares of 4s. each.

(3) That upon the said reduction of capital being confirmed by the court and becoming operative the 1,929,740 shares of 4s. each resulting from the said sub-division of the said 385,948 shares be consolidated in such manner that every two of such four shilling shares shall constitute one eight shilling share.

This scheme had already received the support of a substantial number of shareholders on July 9, when at a meeting in London the directors announced that differences between certain members of the board which led to the resignation of J. A. Agnew and F. W. Baker and Lord Bradbourne had been adjusted, these directors having rejoined the board on condition that the above scheme be ratified in order that the assets of the company should correspond more closely with the capital, without which it would have been impossible to provide the further money necessary for the equipment of the Ankerite Mine and for other purposes of the company.

The shareholders will be given an opportunity under the new arrangement of subscribing, in proportion to their present holding in the capital of the company, for 180,500 of the unissued eight shilling shares at par which it is proposed to issue (as soon as the sanction of the court has been obtained to the reduction of the company's capital), and the National Mining Corporation, Limited, and New Consolidated Goldfields, Limited, have agreed in consideration of a call for three years at par on 200,000 of the unissued eight shilling shares, to take up, if called upon, any of such 180,500 shares not subscribed by the shareholders.

The directors feel that with this scheme of capital reduction, with the further working capital provided, plus cash in hand and amounts still to be received in respect of calls, substantial dividends can be earned in the future on the written down value of the company's capital from its interest in the Ankerite Mine when equipped and in operation, followed by corresponding appreciation in the market value of the company's shares as these anticipations are realized. It is proposed to apply immediately part of the capital provided as above in the equipment of this mine so as to bring it to the producing stage at the earliest possible moment.

Cash in hand at March 31, 1925	£ 35,042
Add calls in arrears	47,275
Add cash to be received from proceeds of sale of 180,500 shares at 8s. per share	72,200
	£154,517

Mr. Weekes' Plans

F. R. Weekes' report of March 24, 1925, on conditions at the Ankerite and Young Davidson has already been published. His immediate program for future development at the Ankerite he summarizes as follows:

(1) Completion of the development of No. 1 ore channel on the 350-ft. level, east of the property line (this level is already completed to the west line).

(2) Drifting along No. 1 ore channel on the 475-ft. level to the east and west of the property line and to continue the north crosscuts to No. 5 vein and explore indicated ore body by drifts and crosscuts.

(3) To sink a new vertical shaft between Nos. 1 and 5 ore zones.

Mr. Weekes states that the installation of a mill would appear justified on completion of such development on the 475-ft. level as conclusively demonstrates the downward extension of known ore bodies to at least this horizon. This development should almost be completed now.

The capacity of the proposed mill will depend entirely on the size of the developed and indicated ore bodies. On March 24 a capacity seemed warranted of about 200 tons daily, but should the new No. 5 shaft develop an ore body such as indicated by the diamond drills, this capacity may be somewhat increased. Plans already call for an initial crushing capacity of 500 tons per day and a cyanide plant of one unit of 200 tons capacity.

On the Young Davidson Mr. Weekes says results on the whole are sufficiently encouraging to warrant the continuation of the development work originally planned.

Market Continues to Make Good Showing

The midsummer interest in the mining market which made itself felt a short time ago has been continued, although buying has been marked by some irregularity. The volume of business has continued fairly satisfactory, however, for the season and particularly in view of the dullness which has prevailed in recent months. The revival of interest is regarded as an indication of the realization that prices had been allowed to drift to a level below the fair market value of the various stocks in relation to the actual performances being made at the mines, this applying to the better prospects as well as the actual producers.

Exploring Newly Found Zinc Area in N. Ontario

Discovery of zinc in the Sudbury nickel district of Northern Ontario has led to the formation of plans by an American syndicate to diamond drill on an extensive scale. The drilling will test out the size of the deposits.

The deposits were found while drilling was proceeding for coal.

At present Ontario produces no zinc, B. C. furnishes most of Canada's production with Quebec in the field in a small way.

The following table shows the production of zinc in Canada for 1923 and 1924:

	1923		1924	
	Pounds	Value	Pounds	Value
B.C.	60,050,000	$3,967,504	96,000,069	$6,090,244
Que.	366,240	24,197	2,909,008	184.547
	60,416,240	$3,991,701	98,909,077	$6,274,791

Talk of Resuming the Dividends on Nickel

NEW YORK.—Directors of the International Nickel Co., it is understood, have been discussing of late the question of resumption of dividends on the common stock. Earnings have increased to the point where the company easily could pay dividends without prejudice to its strong cash position. The outlook for the company also is said to be so favorable that no compromise with conservative policies will have to be made in order to resume dividends at this time. The directors, it is understood, favor a $2 annual rate, and it is likely that a special meeting will be called for the last of August to take action.

Consolidated Smelters Makes High Price of 116

The Dominion Bureau of Statistics zinc and lead production figures for the year 1924 have just been sent out. The report is of interest at this time in that it refers to the contribution of Smelters' famous Sullivan mine. Canada's output of lead in 1924 showed an increase of 57.7 per cent. over 1923 and 96 per cent. of the increase was in British Columbia, being mostly from the Sullivan mine. Zinc production showed an increase of 64 per cent. in quantity and 57 per cent. in value and again the report explains that the Sullivan mine was the cause of the major portion of the increase.

Smelters' lead production in 1924 was 161,400,000 ounces, compared with 95,941,000 ounces in 1923. Their zinc production was 92,198,000 ounces in 1924, compared with 60,052,000 ounces in 1923. When it is realized that Smelters was able to produce at a lower cost than any other mine in North America the significance of the great rise in the price of Smelters' stock is very obvious.

The strong market for Smelters has continued with a high mark of 116 recorded.

O'BRIEN IN GILLIES

COBALT.—M. J. O'Brien, Limited, of Ottawa, are taking over the Price claims in the Gillies' Limit, at the southwest corner of lot 32, five and a half miles southeast of Bass Lake.

The Price find was made last year and a silver discovery was claimed. Mr. Price has now given an option. The O'Briens are now going to prove it up. They sent in supplies last week. They will also prospect the whole property and give it a good try-out.

NEW FIND IN KEEFER

TIMMINS.—A new find has been made on the Warren & Ferguson property in Keefer township, Porcupine Mining Division.

Running through the centre of their property from north to south, there is a large deposit of glacial sand and gravel, shown on Mr. E. W. Todd's geological map, dated 1922 and named Esker Ridge; also other smaller ridges that branch off from the same ridge. These extend southward into Hillary township, where Messrs. Ferguson & Warren have staked claims.

RUSH CONTINUES TO BEARDMORE CAMP

Thirty Claims Were Recorded in One Day at Port Arthur

PORT ARTHUR.—The rush to record claims staked in the new gold area around Beardmore, 130 miles east of Port Arthur on the main line of the Canadian National Railways, continues with as many as 30 claims in one day being recorded at the mining recorder's office.

The gold strike has attracted a large number of prospectors and mining men from all parts of the country and there is a possibility of representatives of big mining concerns going into the area by the end of the present week.

Development work has been commenced on some of the claims. At Mileage Eighteen the Neelin claim has been stripped and will be the first to be viewed by engineers.

Each train arriving at the mining camp brings additional prospectors. The new find around Beardmore is declared to surpass those of Tashota and Kowkash on the Grand Trunk Pacific, which experienced a rush a few years ago. More claims have been recorded in the Beardmore area in three days than in three months at Kowkash, it is stated by prospectors who staked the Kowkash.

Big Increase in Canada's 1924 Silver Production

OTTAWA.—An increase in output of over 1,000,000 fine ounces, and an increase in value of over $1,000,000 are shown in Canada's silver production for 1924 over that of the previous year. Last year's output was 19,736,323 fine ounces as compared with 18,601,744 in 1923, and the value last year was $13,180,113, as compared with $12,067,509 in 1923.

Ontario led last year's production with 11,272,567 fine ounces, valued at $7,527,933, and British Columbia was next with 8,153,003 ounces, valued at $5,444,657, then the Yukon Territory with 226,755 ounces, valued at $151,429, Quebec with 83.418 ounces, valued at $55,972, and Nova Scotia and Manitoba combined with 184 ounces, valued at $122.

The recovery of lead last year totalled 175,485,499 pounds, an advance of 57.7 per cent. above the previous high record of 111,234,466 pounds set up in 1923. Production was valued at $14,221,345, an advance of 78.2 per cent. above the total of $7,985,522 in 1923.

The production of zinc in 1924 was 98,909,077 pounds, or 49,455 tons, which at the average market price in St. Louis for the year, of 6.344 cents per pound, was valued at $6,274,791, as against 60,416,240 pounds valued at $3,991,701, when the average price was 6.607 cents per pound. The increase amounted to 64 per cent. in quantity and 57 per cent. in value.

Promising Vein Found in the Goodreau Fields

A very promising vein has been uncovered on the property of the Brighton Lakes Syndicate, in the Goudreau gold fields, and A. L. Webb, mining engineer of the Canada Mines Syndicate, London, England, has been making an examination of the property with a view to taking an option on it, according to information received from some of the local men interested in the property, according to the Sault Ste. Marie Star.

It is understood that the vein is a very strong one with a width of six to 15 feet, and has been exposed for a distance of 1,500 feet across the property. It has also been picked up on two adjoining properties, one on the west, staked by W. Cain, and J. Depew, despatchers on the A.C.R., and the other on the east, held by Mr. Brighton, formerly of the Nichols Chemical Co.

At points, the vein has been very spectacular, showing free gold. The best assay shows a value of $311 to the ton, while the channel assay has been found very satisfactory. The work has been done very thoroughly so far.

GENESEE MUST FINANCE

COBALT. — Genesee Mining Co., in Bucke township, expects to recommence operations in September or October. Genesee's last work was at the 350-ft. level, just north of the Nipissing. The general geology is the exact duplicate of the rest of the camp, and the Nipissing's principal workings are just across the boundary of Bucke and Coleman townships, a few hundred yards from where Genesee was working. At the 350-ft. level Genesee is at the contact of conglomerate with keewatin.

Genesee was shut down two months ago, having run out of ore and used up the profits to find more, so the present situation is one of awaiting refinancing from Rochester, N.Y., where the mine is principally owned.

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Mining Properties

DR. ROBERT HARVIE,
late of the
GEOLOGICAL SURVEY OF CANADA

WE have inquiries for three mining properties in the Ontario-Quebec gold area and are prepared to consider proposals from prospectors or exploration companies. Properties for consideration must warrant the most searching examination.

As this company is in a position to arrange the sale, or financing, of any property which measures up to required standards, it is suggested that prospectors and exploration companies file particulars of properties or discoveries with us. These will be treated in strictest confidence. If they appear to merit serious investigation every effort will be made to obtain a fair and disinterested appraisal. If the results are satisfactory, arrangements for sale, or financing, will be made in such a way that the interest of prospectors will be thoroughly protected from every standpoint.

707 Canada Cement Building
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Quebec

Current Events in Banking World

TELLS BUSINESS MEN WHY BANKS IMPOSE CHARGES

Guelph Manager Takes Advantage of Rotary Club Invitation

Bank managers are finding it necessary to stop leaks and transform unprofitable accounts into profitable ones in order to meet operating charges on the present volume of business. Opportunities to bring about a better understanding of our banking system and the case for the bank in charging for services rendered should not be neglected. Addresses delivered before local organizations can be made effective in this campaign. R. L. Torrance, the manager of the Royal at Guelph, sets a good example. Mr. Torrance was formerly a manufacturer, and can effectively talk business to business men. Following are extracts from a recent address to the Rotary Club.—J. W. T.

Speaking from experience on both sides of a banker's desk, I believe that our banking system is suited to the needs of a growing and expanding country. You must remember that banks finance business. They do not create it. I have always been a firm advocate of the provision of capital sufficient for the initial requirements of any business, independent of banking accommodation, whether for manufacturing, wholesaling, retailing or farming. Then the bank comes into play for the expanding operations of such business by advances which will be of a liquid nature, and be repaid from realizations on the materials, raw or finished, for purchase of which these advances have been made. That is the true purpose of bank loans, and borrowers should always realize that the money they are using is not the bank's in a capital sense, but the deposits of their savings and current account customers, of which they are trustees.

There should be absolute confidence between the customer and the manager, as there must be between the manager and his head office. Much is said of the privacy in consultation with the family lawyer or family docter, but there is no privacy more sacred than that between a business firm or individual and his bank and banker.

The range of the bank's business is great in its possibilities. To-day we can remit or receive moneys from every country in the world in our own or their currencies. Each morning we have the prevailing rates for those in active use, and all others can be arrived at promptly. We can furnish letters of credit and travelers' cheques cashable around the world, and secure trade information and commercial reports from all countries. We provide safety deposit boxes for the care of your valuable securities, and it is no trouble to do business by mail.

Now, one point I think outstanding regarding charges for all these services by banks, whether for exchange, interest and discount, letters of credit, etc., is this, that these charges are practically the same over the years. We are so accustomed to the increased cost of almost everything we buy personally, or for our homes or businesses, during and since the war, that we do not stop to realize or appreciate that the bank's charges remain the same, 15c. or 25c. a minimum on a cheque or draft up to $100 being the old existing rate, and the same may be said of practically all of the banks' regular charges, despite the largely increased cost of overhead in rentals, taxes and general expenses. One should realize that a bank business is like any other, it must be managed to pay a fair return, and the success (or otherwise) of a branch or manager is dependent entirely on this being done.

British Government Is Opposed to Bank Mergers

LONDON.—When asked whether the Treasury, through the Advisory Committee on Bank Amalgamations, was considering any further proposals for amalgamations, Winston Churchill, Chancellor of the Exchequer, stated that the present British government would not view with favor further bank mergers. Mr. Churchill said:

"While I cannot forecast the recommendations of the committee in cases not before them, I share the view expressed by the late Chancellor of the Exchequer on Feb. 26, 1924, that further amalgamations with the larger banks would not in principle be regarded with favor by H. M. government."

Exchange

United States funds are still quoted at a discount of from ⅛ to 9/64 in relation to the Canadian dollar. Shipments of goods from this country to the States have fallen off somewhat, but the demand for exchange on the part of tourists has evidently increased. This will be a large factor for some time.

French and Italian currencies are again strong, and sterling has recovered after the recent reaction.

NEW YORK FUNDS

	High	Low	Last Year High	Last Year Low
July 23	x1-16	x3-32	23-32	11-16
July 24	x3-32	x ⅛	23-32	21-32
July 25	x3-32	x ⅛	23-32	⅝
July 27	x ⅛	x ⅛	21-32	½
July 28	x ⅛	x ⅛	15-32	¼
July 29	x ⅛	9-16	¼	9-32

xDiscount.

STERLING, FRANCS AND LIRE

	Demand Sterling	Demand Francs	Demand Lire
July 23	4.85¾	4.71	3.65¾
July 24	4.85¼	4.71	3.65½
July 25	4.85⅝	4.71½	3.67½
July 27	4.85½	4.72½	3.66
July 28	4.85 11-16	4.72½	3.65¾
July 29	4.85½	4.75¼	3.69¼

Should Make Sure Bearer of Cheque is Proper Holder

Answering the question of a teller whether payment of a cheque to a third party, when endorsed by the payee with whose signature he is not acquainted, is justified, the staff publication of the Royal Bank says: "A teller would not be justified in paying a cheque under the circumstances mentioned by you unless the third party were known to be responsible and endorsed the cheque. Although, from a legal point of view, a bill fully endorsed is payable to bearer, it is obviously the duty of officers of the bank to ascertain that the bearer of the cheque is the bona-fide holder and thereby protect the bank against all eventualities.

Bank of Toronto Plans New Building in Vancouver

VANCOUVER.—Purchase of the Union Bank Building at the corner of Hastings and Seymour Streets by the Bank of Toronto, announced by E. W. Lamprey, superintendent for the latter bank in British Columbia, is accepted as a forerunner of construction of a new banking and office building in Vancouver.

The Royal Bank of Canada, vendors of the Union Bank Building, having disposed of a property which might have housed its headquarters in British Columbia, may now proceed with a programme of construction, say realtors. The Union Bank Building, while commodious, is not so large as the Royal Bank requirements of the future will require, it was stated recently. The northeast corner of Granville and Hastings Streets is mentioned as a probable location for the Royal Bank's prospective new building.

A sum in excess of $600,000 was paid by the Bank of Toronto for the Union Bank Building. The purchasers will not occupy the property until Jan. 1.

Staff Gossip

William Hawn, of the Royal Bank, has been transferred to the Midland branch.—Bracebridge, Ont., Herald.

* * *

W. Walker, of the local Bank of Commerce, has been transferred to Atwood.—Jarvis, Ont., Record.

* * *

S. G. Page, formerly of Galt, whose home is now in Toronto, has been promoted from teller to accountant in the Bank of Toronto branch at Milton.—Galt Reporter.

* * *

F. W. Slaght, accountant of the Chatham branch of the Dominion Bank, has been appointed manager of the Dresden branch. Mr. Slaght, whose home is this city, has been a member of the Chatham staff about three years. — St. Thomas Times-Journal.

* * *

Mr. and Mrs. H. G. Mathewson, of Ingersoll, spent a few days this week with Dr. and Mrs. H. H. Pirie. Mr. Mathewson, who was formerly manager of the local branch of the Bank of Commerce, is now manager of the branch there.—Dundas, Ont., Star.

* * *

Archie Moore, of the local staff of the Imperial Bank of Canada, has been transferred to Toronto, Yonge and Ann Streets. He reports in Toronto August 4. Mr. Moore's many friends while regretting to see him leave Listowel, wish him every success in his new position.—Listowel, Ont., Standard.

* * *

A. S. Nichol, of the Fort William branch of the Bank of Montreal, has been transferred to Chicago. On Saturday afternoon, in the presence of the whole staff, L. J. Webster, manager, presented Mr. Nichol, on behalf of the staff, with a handsome mantel clock, equipped with Normandy chimes, accompanying the presentation with a few words of appreciation. Mr. Nichol made a suitable reply.—Fort William Times-Journal.

* * *

E. W. Slaght, accountant in the local branch of the Dominion Bank, leaves for Dresden, where he will take over the duties of manager of the Dresden branch of the bank.—Mr. Slaght has been in Chatham for the past three years and has made a large number of friends who are pleased to hear of his advancement to the post of manager. His home is in St. Thomas and he has been connected with the Dominion Bank for thirteen years. During that time he has held positions in many cities of the province.—Chatham, Ont., News.

* * *

The Canadian Bank of Commerce announces that Mr. E. B. Ireland, manager at Rio de Janeiro, has been appointed manager at Portland, to succeed Mr. F. C. Malpas, who has retired from the service. Mr. Ireland, previous to opening this bank's branch at Rio de Janeiro in 1920, was for five years stationed at the Seattle branch, and prior to that occupied important Canadian appointments, as well as having a lengthy experience in the New York agency of the bank. He is, therefore, particularly well equipped for an appointment on the Pacific Coast by reason of his previous experience at Seattle and his knowledge of foreign trade gleaned in important centres. During his stay in Seattle he made many friends on the Pacific Coast who will cordially welcome his return. After his long sojourn in South America Mr. Ireland is at present enjoying an extended vacation, and will assume his new duties on September 15. In the meantime, the Portland branch will continue in charge of Mr. A. J. Marlow, the bank's manager at New Westminster.—Vancouver Province.

THE ROYAL-UNION MERGER

Oshawa, St. Catharines, Owen Sound and Belleville branches of the Union Bank of Canada were closed this week, the business at these points being taken over by the Royal Bank of Canada.

HOME BANK ACCOUNTS

Payments to Home Bank depositors of $500 and less, as provided under the relief measure enacted by the Dominion parliament, will not be made before the end of August, according to the liquidators. Repayment of the additional 35 per cent. will be made by application to the same banks through which they received the original 25 per cent. payment.

PLAN TO EVADE TROUBLE UNDER THE SECTION 88

Importers Asked to Agree Not to Borrow Until Goods Paid for

The amendment to the Bank Act in regard to Section 88 requiring all borrowers under this section to so register themselves for the information and guidance of foreign manufacturers evidently does not entirely meet the situation in the opinion of British exporters. An effort is being made by the British Agents' Association of Canada to introduce a "dual confirmation form," under which the buyer agrees not to borrow on goods purchased until they are fully paid for. Following is a communication regarding the matter sent to the Bradford Chamber of Commerce by the secretary of the British Agents' Association at Montreal:

Montreal,
April 18, 1925.

In reference to the clause recommended by Mr. Eugene Lafleur, K.C., to be put on the Dual Confirmation forms and on the invoices, which reads as follows:

"Title and interest in the merchandise herein described shall remain in . . . . . . and shall not be pledged, mortgaged, hypothecated or otherwise charged to any bank, trust company, corporation, firm or individual until fully and finally paid for in cash. The receipt from the purchaser of promissory notes or other negotiable instruments shall not constitute payment until such instruments are actually paid."

The objection has been raised that a literal adherence to the words, "or otherwise charged," would prevent the disposal of the goods in the ordinary channels of trade previous to the cash for payment being actually remitted to the vendor.

Mr. Lafleur has been consulted regarding this interpretation, and whilst positive that no Court of Law would support the contention that the word "charged" was in any way synonymous with "invoiced" or selling in the ordinary way, yet realized the importance of removing any possible ambiguity. After consideration, he has suggested that the clause be amended as follows:

"Title and interest in the merchandise herein described shall remain in . . . . and shall not be pledged, mortgaged, hypothecated or otherwise given as security to any bank, trust company, corporation, firm or individual until fully and finally paid for in cash. The receipt from the purchaser of promissory notes or other egotiable instruments shall not constitute payment until such instruments are actually paid."

As this question of doubt is now absolutely removed, and as the advantages of using the Dual Confirmation form have been so clearly demonstrated on a number of occasions, it is hoped that there will be a determined effort to extend the system into a more general usage.

On behalf of the committee,
J. HUGH PEATTIE,
Hon. Secretary.

British Banks Sell Bonds to Increase Current Loans

NEW YORK.—The average figures of the London clearing banks for May disclose the lowest level at which deposits have stood for many years past, according to advices received by Bankers Trust Co. of New York, from its British information service. In fact, the banking statisticians state that the present total of £1,636,448,000 is the lowest since the banks resumed the publication of their monthly average figures in 1921. Another low record since the resumption of these statements is provided by the total of investments, £291,063,000. It is stated for more than a year past the banks have been steadily realizing their investment holdings and employing the proceeds in advances. A steady increase in the latter during the past 18 months is stated to be mainly reflective of gradual trade recovery which has appeared during that period, but the fact that the recent increases in the advances have been accompanied by more than usually sharp reduction in deposits coupled with poor trade reports in many of the industrial centres during the past month or two, encourages the view that borrowing in order to meet the demands of the tax gatherer may have been responsible for a considerable part of recent expansion in advances.

The ratio of advances to deposits continues to rise; at the end of May it was 52.9 per cent., or four points above the ratio of May of last year, but the ratios of individual banks show a wide range, the highest of the big five being the Midland, 57.8 per cent., and the lowest the Westminster, 40.9 per cent.

Weekly Bank Clearings

(In comparison with the same week last year)

EASTERN CITIES

	Week ending July 24, 1924	Week ending July 23, 1925
Halifax	$ 2,792,340	$ 2,779.625
St. John	2,715,554	2,745,976
Moncton	944,196	858,107
Sherbrooke	790,568	805,191
Montreal	97,391,854	95,496,214
Quebec	5,445.353	6,343,921
Ottawa	5,444,353	5,535,469
Kingston	754,280	623,576
Peterboro	659,597	815,224
Toronto	90,273,747	86,176,307
Hamilton	4,839,461	5,165,497
Brantford	826,824	1,033,701
London	2.479,336	2,372,933
Kitchener	827,891	941,775
Windsor	3,507,033	4,244,132
Total	$219,692,422	$215,937,648

WESTERN CITIES

	Week ending July 24, 1924	Week ending July 23, 1925
Fort William	$ 955,481	$ 981,138
Winnipeg	55,393,577	46,291,547
Brandon	473,343	637,413
Regina	2.895,128	4,948,789
Moose Jaw	906,372	1,037,646
Saskatoon	1,342,355	1,487,358
Prince Albert	281,348	279,862
Lethbridge	456,882	574,575
Edmonton	3,282,777	4,250,011
Medicine Hat	304,200	226,462
New Westminster ..	563,852	500,030
Vancouver	18,209.932	16,215,847
Victoria	4,885,988	1,847,268
Calgary	5,045,263	6,211,407
Total	$99,996,503	$85,576,353

FIVE BANKS CONTROL BRITISH BANKING

Have Eighty Per Cent. of the Banking Resources of Great Britain

Banking in the British Isles has been growing more and more concentrated, till now, 80 per cent. of the banking resources are in the control of five large banks—commonly called the "Big Five." This situation has begun to make the British people question if this concentration has not resulted in a virtual banking monopoly in England to-day. The Statist in its banking number reviews the process of the concentration of British banking in the past few decades and says:

"The total number of banks in Great Britain and Ireland publishing their accounts, including the Bank of England, was 155 in 1895; by the end of 1900 it had been reduced to 111, by the end of 1914 to 70, by the end of 1919 to 45. The decline in the numbers is all the more marked in view of the fact that during the period under review,—especially during the past four years — a large number of small private banks, which had been previously in existence, began to publish their accounts for the first time, while a number of new home banks had also been formed. Of the 45 banks now publishing their accounts, ten are Irish banks, of which eight are independent, and one is an Isle of Man institution. In Great Britain itself the banking organization rests on 34 institutions, comprising the Bank of England, 25 banks in England and Wales and eight Scottish banks. Of the latter, all but four are owned by one or other of the five largest banks; of the banks south of the Tweed, four small institutions designed to meet special needs, the British Mutual Bank, Co-operative Wholesale Society (Banking Department), the Reliance Bank and the Yorkshire Perry Bank, may be omitted from consideration. Of the remaining 21, apart from the Bank of England, 19 are independent institutions.

"The reduction in the number of the banks gives a very insufficient indication of the intensity of the concentration of resources. Excluding the banks in the Irish Free State, the five largest banks to-day control, in conjunction with their home subsidiaries, 80 per cent. of the total banking resources of the country; in 1900 the five largest banks controlled less than 40 per cent. of the total. The concentration movement has been greatest in the past decade. So intensive a development is unparalleled in the history of banking, and it must be observed, too, that it has far out-stripped the analogous movement in industrial companies. Three questions suggest themselves in regard to the concentration of the great bulk of the country's banking resources under the control of five large companies: (1) Has it reacted adversely on commerce and industry? (2) Has it made or increased banking stability? and (3) Has it tended towards the establishment of a banking monopoly?"

The Statist answers the question of whether concentration has made for monopoly by stating that it is a well-known fact that the competition between Big Five banks is still keen.

Three New Directors for Bank of Montreal

* * *

From Our Own Correspondent.

MONTREAL.—Following the meeting of the directors of the Bank of Montreal this week, it was announced that Thomas Ahearn of Ottawa, J. W. McConnell and F. W. Molson of Montreal had been appointed directors of the bank.

Thomas Ahearn is widely known not only in Ottawa but throughout the Dominion. Whilst, by profession an electrical engineer, his business activities cover a wide range, although naturally his chief interests are in connection with power and allied public utilities.

John Wilson McConnell is another son of Ontario but his activities for the past quarter of a century have been centred in Montreal. Here he has been widely known as a "Sugar King" due to the success with which he has handled the St. Lawrence Sugar Refineries, of which he is president. He recently arranged the sale of the Goodwin firm to Eaton's of Toronto.

Frederick W. Molson is so widely known in Montreal that he requires no introduction. As President of Molsons Bank he came in very close touch with the financial life of the country, whilst his successful operation of the huge Molson enterprise marks him as one of our most successful business men.

The Bank of Montreal have added three strong men to their board and their knowledge and advice will be of much value to the bank.

Bank Debits in June

	June, 1925 $	June, 1924 $
Maritime Provinces—		
Halifax	23,674,121	19,530,610
Moncton	6,202.990	5,913,072
St. John	18,149,374	23,096,950
Total	48,026,485	48,540,632
Quebec—		
Montreal	599,089,588	575,105,025
Quebec	51,432,512	39,744,175
Sherbrooke	8,445,883	8,763.296
Total	658,967.983	623,612,496
Ontario—		
Brantford	10,980,589	6,635,502
Chatham	5,477,265	7,595,974
Fort William....	6,092.524	6,435,548
Hamilton	42,852,749	43,840,001
Kingston	4,966,743	4,745,176
Kitchener	9,442,287	7,815,449
London	24,835,660	22,363,824
Ottawa	182,833,990	117,898.790
Peterborough ..	7,212,674	5,530,312
Toronto	582,622,955	539,600,112
Windsor	30,989,679	23,102,886
Total	908,307.115	785,558,569
Prairie Provinces—		
Brandon	4,172,908	3,622,766
Calgary	47,508,371	50,886,983
Edmonton	28,404,444	22,913,046
Lethbridge	4,228,632	4,480,977
Medicine Hat ..	2,423,404	4,041.000
Moose Jaw	7,749,813	7,440,154
Prince Albert ..	2,039,153	1,908,270
Regina	21,475,180	20,263,571
Saskatoon	8,863,642	8,617,564
Winnipeg	252,641.978	342,095,151
Weyburn Bank	2,468,750	1,295,687
Total	381,976,275	467,565,169
British Columbia—		
N. Westminster	5,542,361	4,972,625
Vancouver	120,639,223	107,226,084
Victoria	27,747,151	19,299.566
Total	153,928,735	131,498,275
Grand total..	2,151,206,593	2,056,775,141

EXPECT RECORD FARM IMPLEMENT SALES

Western Outlook Better for Fall Than for Five Years Past

The general manager of one of Canada's foremost banking institutions who makes a special study of Western conditions made the following statement to Hardware and Metal this week:

"While there has been no pronounced change in the state of Western business during the past few months, confidence has improved, and with the recovery in agricultural prices the outlook is more definitely encouraging than it was in the spring months.

"Generally the crops made a good start and the combination of warm weather and abundant rains has been a remarkable stimulus to growth. In isolated districts there has been some hail and in the more arid sections of Southern Alberta, severe heat has done considerable damage, but, on the whole, over the three provinces, crop conditions are very satisfactory. The acreage is about five per cent. greater and, from present prospects, it looks as if the Western crop might be considerably larger than it was last year.

Profitable Year

"Of course a number of things may happen to the growing crop, but if no serious damage occurs at the eleventh hour and prices remain fair, the farmer should have a profitable year and agricultural purchasing power is, of course, the most important factor in the domestic business situation. So far the improved position of the farmer has been reflected more in the discharge of obligations than in new buying. His mental attitude towards expenditures has been severely affected by the results of the past few years and there exists little disposition to over purchase.

"Both wholesale and retail trade, however, are in conservative volume. Inventories are low and business generally is being conducted on a more satisfactory basis. In Winnipeg building operations are going forward on a much larger scale than last year. Agricultural machinery houses have had a good spring and summer season and look forward for a record trade this fall.

"The credit situation so far as the banks are concerned remains easy and favorable to a conservative business expansion which the recovery of the agricultural industry, sustained by good yields and remunerative prices, seems to promise."

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THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

TORONTO, JULY 31, 1925

JUST GOOD BUSINESS

THERE is a tendency apparent in the United States and to some extent in Canada to regard the present high prices of rubber as something other than a matter purely of business on the part of British interests. A New York publication of standing interprets the whole matter as a successful attempt of Britain, and we must assume that that means the British government, to force the United States to help Britain pay her war obligations arising out of American loans. Evidence submitted in support of the theory is the concurrence of the British colonial secretary with the Stevenson restrictive policy.

It must be admitted that such a policy might easily find justification. High officials of the United States government have admitted publicly that the only means by which Europe, including Britain, could be expected to meet obligations arising out of the war, would be in the shipment of goods. But this means has been blocked by an unprecedentedly high tariff wall. Britain has a habit of meeting difficulties, and the explanation advanced seems rather feasible on the face.

But the scheme was not promulgated by the British government. It was merely a method taken by industrial concerns of raising the price of their product—current quotations of which were said to be considerably below production costs—in keeping with demand. The same is done in other lines as a routine of business. It was hardly a case for the colonial secretary to interfere. The profits go to the rubber interests concerned—not to the government. Incidentally British and Canadian rubber buyers have to pay the same price and the British and Canadian people an equally high price for rubber goods.

THE SWINDLER'S NEW TRICKS

ADVERTISEMENTS such as the following have been appearing in the "Help Wanted" columns of newspapers in a number of Canadian cities; this particular one appeared in Vancouver:

> WANTED. — Reliable, honest, conscientious man, to do pleasant work. Salary $50 per week. Small investment required for part interest. Apply for appointment with client at ———

The appeal of such an advertisement to a great mass of workers making less than $50 a week can be readily understood. The reference to the investment is made incidental to the job being offered. Of course it is all a "come-on," cleverly arranged by salesmen of fake stocks, and the job is short-lived if it ever materializes at all. This is indicated by a letter from one of the victims in the Vancouver Star:

> "As a returned man who has worked hard for his savings, it is a pity that the police allow swindlers to prey upon us with offers of jobs with 'investments.' I am now leaving town after losing $750 which I gave to a firm in the Northwestern Building which promised me a good job and share of profits. I could not get satisfaction, but two detectives, Mr. Quirk and Mr. Fisk went after them, but the men had gone. These two policemen are doing their best, I know, and tried to help me and another man who got swindled. Detective Ellis also got busy, but these swindlers are slick. A lady told me her boy got swindled out of $650 last November in an auto repair shop scheme and got nothing because they had gone next day. Please help us poor people from frauds.
>
> (Signed) RETURNED MAN,
> Reg. No. 6419."

Dozens of such unfortunate cases have come to our attention and the total would perhaps reach to the thousands if the victims could be induced to acknowledge that they have been taken in.

The tricks of the trade of the fake stock salesman are constantly being changed. Something might be accomplished to curtail their operations by legislation but it is doubtful if any law could be passed which they could not get around with the aid of their usually willing victims. Hope lies in the direction of educating the people to the hard fact that there is no magic in investing and that the returns even on a sound proposition are always in ratio to the risks taken.

TOO MUCH LAW

LAW is the basis of modern civilization and yet it may be seriously questioned if there is not an evil in too many laws as well as in too few. Whatever criticism may be offered of our governmental legislative mills, it cannot be said that there is any shortage in the grist of new bills being ground out. The courts have great difficulty in keeping posted on the almost constant stream of measures and amendments. That we are having an over-dose of law from which there will be a reaction is the opinion expressed by eminent students of political economy; we find a writer in the American Exchange National Bank's bulletin saying:

> Aside from the political questions involved, the limitations upon the purely physical side of government point directly toward the necessity of a return of self-government to the people. Too many laws, too many regulations have already forced the people to devise means of getting around the delays that are inevitably a part of the routine of the administration of justice. Arbitration has lifted a great burden from the shoulders of the judiciary and is building up a new system of common law which testifies to the tenaciousness with which the people cling to self-made institutions.

The present tendency to legislate on the least excuse has been referred to as the "Rain of Law"—and of both rain and law it is possible to get entirely too much.

FOREST FIRES AND TRADE

FORESTRY men know that the average business man has little interest in forests and feels small concern at news of extensive damage by forest fires. He has not yet learned that the future of his business is dependent upon a plentiful supply of the raw material that makes his letter-heads, his catalogues, and his advertising media. He has not stopped to figure out where his supplies of paper are going to come from twenty years from now if the forests continue to burn more rapidly than they grow.

The editor of a British publication, the Newspaper World, shows more appreciation of the effect of fires in Canadian forests on the world's business than most people in Canada. He made reference in his paper to forest fires in Canada and was at once asked what interest the fires had to consumers of paper in Great Britain. In his next issue he hastened to state:

> "The paper trade of this country is very intimately linked up with that of America, Canada, and the producing countries of Europe. The only raw materials for pulp that we as a nation produce are rags, bagging, and a certain amount of straw. Quite nine-tenths of all that is used has to be imported from somewhere, as we knew to our cost when the war was on. The use of paper for printing and other purposes throughout the world is steadily increasing, and will in all probability continue to do so. Unless some other raw material can be found in sufficient quantities and yielding a big enough percentage of fibre to be reasonably cheap, wood pulp will be called upon to meet the ever-increasing demand for paper.
>
> "Only a few years ago many people in the United States thought that her supplies of timber were practically inexhaustible, but already many of her pulp mills have had to close down and she is dependent upon Canada for quite a big percentage of the pulp she uses. Canadian forests are of vast extent, but without replacement are far from inexhaustible, and with forest fires destroying more timber than is being put to useful purposes their days are numbered. The same may be said about Scandinavian timber, although re-afforestation is compulsory in some parts. Even although this means a constant supply at the present rate of consumption, it would not stand long against American demands if their own supplies ran short. Anything approaching to a shortage of pulp in any part of the world would mean a rise in price, which would hit the consumers here very seriously, and they would then realize that forest fires, or anything else that wantonly destroyed standing timber, were of vital interest to the well-being of their own trade."

EDITORIAL NOTES

THE financial editor of a Toronto daily newspaper records the fact that Canadian funds are at a premium of 1/16th of 1 per cent. or $16 on $1,000. What are schools for?

* * *

THE Toronto Globe says that in competition between the National railways and the Canadian Pacific the government has the "whip hand." And that describes the situation very well.

* * *

JUST to upset the idea that all the gold in the world is piling up in the United States, the Bank of England announces holdings of about £159,000,000, which is the highest in the long history of that institution.

* * *

NOT only have the radicals been able to carry on their propaganda freely in England by making the English feel that the country is committed to a policy of free speech, but the British example is being held up in other countries as an argument for allowing agitators free play. The Rochester Times-Union objecting to restraints on "free speech" points out that "the English allow radicals to yell their loudest in public squares and provide police protection for the show; and the Empire seems to hang together in spite of it."

Mr. Buyer, Meet Mr. Seller

Relationships Which Make for Sound Business Dealings

By A. T. ENLOW,
President Dominion Sheet Metal Corp., before Hamilton Rotary Club.

The matter of ethics in business is being emphasized these days. It required several hundred years to get people broken in to observe laws relating to human activities. Apparently that period is past, and we are now into a finer distinction of ethics constituting the "border land" in business between what is criminally wrong and morally right. If the practical application of ethical business ideals involved regular losses it would require more than ordinary fortitude to practise them, but inasmuch as the contrary is true and we know by experience that he "profits most who serves best," we need only to make ourselves thoroughly familiar with the working out of the details in our daily business lives. Profit should be "pay for service rendered."

The most persistent emotion within the capabilities of the human mind is the desire to possess. In the accomplishment of this desire it is now considered beyond the pale of commendable business practice if we injure some innocent person, or if we take undue advantage of another party for our own advancement.

Each Buys and Sells

Each man in business—whether he is a manufacturer, a merchandiser, or a professional man, sells something, and buys something. He can hardly hope to be granted all business courtesies when he is a purchaser, and to extend none when he is a seller. The buyer, who, in a time of adversity, and while he is in fairly prosperous circumstances, takes advantage of conditions to force the seller to do business at a loss, will find the day coming when he will be repaid in his own coin. The man who exercises the gentle quality of mercy will find that mercy will likewise be extended to him in his emergency and almost every business sooner or later has a testing time, when every effort is required to keep one's commercial head above the rising tide of adversity. Man, nowadays, must "serve to survive."

Many people in business have considered it right and proper in the past to engage in some of the practices coming under the head of questionable trade customs, and yet within the pale of legality, such as:

(a) Misrepresenting competitive quotations in order to receive a lower quotation on your enquiry.

(b) Enquiring or contracting for larger amounts than you ever expect to take out in order to get lower quotations.

(c) Taking discounts which are not earned, such as cash discounts after the time has expired.

(d) Misrepresenting the goods you are selling and leading the customer to believe he is getting more than he is in the way of actual value.

(e) Handing out gifts, entertainment, etc., to your customer or his employees to influence the business your way.

Contrariwise, a lot of folks who have devoted their energies for years to "putting one over," "beating the other fellow to it," and "looking out for number one," will some day wonder why they seem to be up against a stone wall, without a friend in range of sight or hearing, or headed for, what Arthur Sheldon designates as, "that deep dark gorge of misery, in the mental vale of hate."

Value of a Friend

The value of a friend in business is beyond all computation, and business friends are made mainly by treating them just a little better than they ever expected to be treated. These days all additions to assets are subject to various kinds of tax except "goodwill." There is no income or government tax of any kind on "accumulated goodwill," and there is no asset shown on or concealed in your statement which will stand you in better stead in days of adversity than this same "goodwill" item. "Goodwill" is accumulated slowly and not by what you advertise to the world, but by what the world finds out about you in your dealings from day to day.

These are some of the ways of accumulating "Goodwill," particularly appropriate to a manufacturing business:

(a) Correcting errors in your favor just as cheerfully and promptly as those against you, especially in invoices and bills.

(b) Occasionally enumerating some of the good points of the product you receive as well as pointing out defects and shortcomings.

(c) Writing an occasional letter of commendation where you receive good service.

(d) Voluntarily reducing your agreed selling price if you find you can do so.

Nowhere is this item of "Goodwill" more evident than in a retail business, where all concerned make it a point to impress upon customers that they are there primarily to serve, and incidentally to profit.

Ethics

Reviewing your own daily activities you will find that you consult that lawyer who treats you most fairly; you take pleasure in listening to a minister who does not pervert facts to prove a point; you buy your life insurance from a man who is always willing and ready to go into a campaign for some public cause; you patronize a department store that stands for up-to-dateness, honesty to the public, fair prices and fair treatment of employees. You like to live in a city that gives you protection and conveniences for the taxes you pay. When you are sick you don't want the doctor who uses the biggest words—but the one who combines experience and honesty. When his efforts are in vain, you indicate that you would like to be interred in a cemetery where for the purchase price of a lot you can obtain a pemanent home, shaded by beautiful trees, and blanketed by loving flowers, and throughout it all, from the day you enter life until you depart therefrom you are being influenced by that intangible atmosphere which makes for ethics—"the beautiful in business," and which is remembered long after the price is forgotten.

It has been said that it is not enough these days to "live and let live"—we must live and help live—and in the conduct of business this is equally true—we must not be content with getting ahead ourselves, but we must do our utmost to see that the other fellow profits also, and if our experience is greater or our observation more accurate, or our wisdom more profound, we should not hesitate to pass it on to someone who may need it badly.

A. T. ENLOW

New Issue

Jamaica Public Service Co. Limited

7% Cumulative Preferred Stock

Price: 98½ to yield 7.10%

Descriptive circular upon request.

Cochran Hay & Co., Limited
INVESTMENT BANKERS
TORONTO
Dominion Bank Bldg.
KITCHENER 83 King St. West
LONDON Royal Bank Chambers

London Express Gives Grand Trunk Investors Facts of Case

The propaganda being conducted in Great Britain against Canada because of alleged unfair treatment of Grand Trunk investors is not by any means general. While some papers are lending their influence generously to the campaign, others refer to it as a "foolish agitation," or worse. The following appears in the London Daily Express under the heading "The Truth About British Holders."

Another attempt is being made to revive the foolish agitation against the Canadian government which was instigated by the holders of securities of the Grand Trunk and Grand Trunk Pacific Railways, and which has been supported by the financial press. The Grand Trunk shareholders suggest in all seriousness that a government already overburdened with war debts and unwillingly saddled with a railway that loses twelve millions a year should come to the rescue of a group of investors whose holdings, through no fault of that government, were deemed worthless by an unbiased court of arbitration. Nothing could be more absurd. Had the Canadian government not stepped in when it did, all classes of Grand Trunk investors would have suffered in the inevitable crash.

As it stands to-day, all but the junior stockholders have been protected to such an extent that their holdings are as safe as government bonds. The Grand Trunk Pacific debenture holders, who are in a different position, will receive interest as soon as the Grand Trunk net earnings justify such payment. Until then they can have no possible right to any interest. The loudest cry, however, is coming from owners of stock which in seventy years of private ownership received either no dividends at all or a small proportion of what was due. Yet because the government took over the Grand Trunk when it was unable to meet its obligations, the government is expected to do what the company could never do. Actually, indeed, this much-abused Canadian government is paying to British holders of senior Grand Trunk securities the annual sum of eighteen hundred thousand pounds in interest and dividends out of a property which costs the Canadian taxpayer about twelve millions a year.

When the Grand Trunk purchase was first suggested, the government offered to add to this sum another quarter of a million a year after a certain period, to protect the junior stockholders. The offer was indignantly spurned as not generous enough. Arbitration was decided upon, and the Canadian government—which is accused of "confiscation"—agreed to increase this further payment to half a million annually if the arbitration board should consider this to be fair. The arbitrators ruled that the junior stocks were worthless and that no payment at all should be made to them. The Canadian government have simply accepted the award, but the Grand Trunk shareholders now ask for a repetition "on compassionate grounds" of the offer they previously spurned.

The insults which were hurled at the Canadian government during the progress of negotiations have melted into a tone of sorrow and the plea is for compassion. There is no doubt that many Grand Trunk security-holders are in need of compassion, largely through the folly of the Grand Trunk Pacific; and with them every one sympathizes. But any Canadian government which listened to a plea of compassion while the Canadians are struggling under the burden of the property of these security-holders would be guilty of a breach of trust with the electorate. The credit of Canada should be enhanced by the government's fair dealing with the security-holders of a railway whose continual internal troubles did much in former days to injure this credit.

Keeping Finger on the Public Pulse

Twenty years ago the majority of industrial firms were managed by the men who started them, and who controlled their ownership. To-day the management of a large number of big firms is controlled by directorates which are elected by the shareholders, who, to an ever-increasing extent, are the public. This is one of the big developments of modern business—that the public, either through public offerings of securities, or through customer and employee ownership, has become more and more the proprietor of the big industrial, commercial, and financial enterprises.

In line with this change, business men have grown to recognize the policy that the public must be satisfied. The manufacturer sees that he must give the public, not what he desires to produce, but what the public itself wants. Public approval is the supreme test to which the manufacturer puts his product, and he is anxious to secure the views of as large a section of the public as possible as to the valuation of his products.

Modern executives find it advisable to have at their finger-tips every possible fact about actual or possible developments with which their businesses may be concerned. They are increasingly interested in what people are thinking of their products and their policies, what newspapers are saying of them and their competitors, and in developments that either directly or indirectly bear upon their relations with the public. They are also concerned with the attitude of the government and all taxing bodies, in levying on and regulating business.

One way to keep in touch with the situation would be to subscribe to a large number of newspapers through the country. This would involve, however, the employment of a clerical staff. Recognition of this fact has led to the growth of the press-clipping bureau. One of the greatest values of a clipping bureau to the manufacturer lies in keeping tabs on the weekly press. While the big dailies get the news, the smaller, local papers, are the chief factor in reflecting opinion. People write to them expressing their views on nearly every question under the sun, and editors vie with each other to a greater extent than with the city papers, in developing all sides of a question affecting the people they serve.

To an increasing extent, therefore, the press clipping bureau in modern business is becoming the medium through which is secured the collective opinion of the people.

Personal

G. M. BOSWORTH, who died in London, England, on Sunday morning last, was chairman of the Canadian Pacific Steamships. Mr. Bosworth had been with the C.P.R. since 1882, when he entered the service of the company as assistant general freight agent for Ontario and Quebec lines. In January, 1884, he was promoted general freight agent, and in April of the following year was made assistant freight traffic manager, Eastern Lines. In 1896 he was appointed freight traffic manager of the Canadian Pacific system and in 1901 he was promoted fourth vice-president. In 1910 Mr. Bosworth was appointed vice-president at Montreal in charge of the company's traffic and in connection with the Canadian Pacific Ocean Steamship Lines. On September 1, 1918, he was appointed chairman Canadian Pacific Steamships, a position he held to date.

One of the big men in the Canadian Pacific Railway's service, he had a career which compares in a lesser way with that of other railwaymen, Hill, Strathcona, Mount Stephen, and Shaughnessy. He started in as an office boy in Ogdensburg in the employ of a branch line. He soon became its chief freight agent and then transferred himself to Canada to oin the C.P.R. When Sir Thomas Shaughnessy, as president of the C.P.R., after having created a land for settlers in the Canadian West, decided to fill it and purchased a fleet of fifteen vessels to transport immigrants from Europe, Mr. Bosworth was called upon to look after them. He lived to see the ocean services of the C.P.R. among the greatest in the world and to advertise the fact that on one small piece of pasteboard one could travel all around the globe under the auspices of the C.P.R. Mr. Bosworth was thoroughly tested as a man of iron nerve when he took the C.P.R. into its fight with the trans-Atlantic steamships pool after it had sought to force the company to accept its rates on westbound passenger tickets. The price of these trips was brought down to next to nothing. Mr. Bosworth stuck to the drops until the pool got tired of the fight.

The Sales Manager's Job

Ross Mackinnon Decided That It Was in the Field Rather Than at a Desk—and So Won Success

Should the sales manager be a desk man or a field man? In answering that question, Ross Mackinnon, general sales manager of the Chevrolet Motor Company of Canada, who also recently took on the direction of sale and distribution of Oakland cars for General Motors, decided for field activity rather than direction from the inside; to that decision—that and the type of men with which he has been able to surround himself—he attributes the success he has gained in the field of automobile merchandising.

Back of Mr. Mackinnon's sucess in salesmanship has been an extensive experience in industrial production, which has undoubtedly been of great value. Born in Brampton, in 1884, he was raised on a fruit farm at Grimsby and attended the Grimsby High School before going to Toronto University. Circumstances necessitated his leaving Varsity before graduating, and, in 1903, he entered business with the Pease Foundry Co., Toronto, as assistant shipper, later holding the positions of assistant accountant, salesman, sales manager and treasurer.

During the war, Mr. Mackinnon became interested in the production of shells and took charge of the foundry of the Pease Company at Brampton, being later transferred—at the instance of the Imperial Munitions Board—to the Page-Hersey plant at Guelph, in a similar capacity. From Guelph he went to Cohoes, N. Y., to take charge of the rolling mill of the Page-Hersey Co. there as assistant to the president, and later took over direction of the company's export business in New York. Next he had charge of the plant of the Jackson Cushion Spring Co. at Jackson, Mich., and, in 1920, came back to Canada as assistant sales manager of the Chevrolet Co., being promoted in November of the same year to the sales managership for Eastern Canada and next year taking over the Western Canadian field also in a similar capacity.

R. MACKINNON.

CITY OF VICTORIA
5% Bonds
Due July 21st, 1945

Price 98.75 to Yield 5.10%

J. L. Goad & Co.
Limited
Investment Bankers
609 Dominion Bank Building
Toronto

New Issue

Australian

External Thirty-Year 5% Gold Bonds

Dated July 15th, 1925. Due July 15th, 1955.

Principal and half-yearly interest (15th January and July) payable in New York City in United States gold coin of the present standard of weight and fineness.

Denominations $1,000 and $500.

Australia occupies a place similar to the Dominion of Canada in the British Empire. In resources, production, etc., there are many features strikingly similar to those of the Dominion. The present population is estimated at 5,900,000.

The natural wealth of Australia in 1921 was $13,946,000,000, or $2,363 per capita.

The ordinary revenue in the year ended June 30th, 1925, amounted to $334,800,000 and its ordinary expenditures to $325,200,000, resulting in a surplus of $9,600,000.

In the year ended June 30th. 1925, exports amounted to $815,000,000 and imports to $770,000,000, the excess of exports being $45,000,000.

Price 99½ and Interest, yielding over 5%.

To those desiring to diversify their lists of conservative investments, we recommend these bonds.

A. E. AMES & CO.
LIMITED

Business Established 1889

53 KING STREET, W., . . TORONTO
TRANSPORTATION BLDG. MONTREAL
BELMONT HOUSE . . VICTORIA, B.C.
LONDON BLDG. - VANCOUVER, B.C.
11 WALL STREET - - - - NEW YORK
GRESHAM HOUSE, OLD BROAD STREET
LONDON, E.C.2, - - - - - - - - ENG.

Investment Securities

Current Opinion

THE DAYS OF MERGERS

Canadian Grocer: These are certainly the days of mergers and amalgamations. There has been the recent canned goods merger, the merging of retailers into buying groups in various sections of Canada, particularly in Ontario; the merger of Ontario wholesale grocers now almost completed. This would make the proposed merger of makers of food products not so much a surprise as it would have been two, three or five years ago.

TOURIST BUSINESS IS GOOD BUSINESS

Ottawa Journal: There is another factor in the general trade situation which should not be ignored, namely, the tourist business. It has reached large proportions, and is growing rapidly. It will be at its maximum during the current month and the next two months. As good roads have multiplied in Canada, we have been receiving a steadily rising stream of motorists from the United States. That is a very valuable stream indeed, and leaves a golden precipitate all along its course. We must frankly see in it a new source of wealth, which, while it cannot be accurately calculated, spreads its beneficence over the whole country.

THE COST OF A STRIKE

Ottawa Journal.—A special correspondent of The Financial Post estimates the direct and indirect cost of the coal strike in Cape Breton at $2,552,500. This he does by placing the value of property destroyed at $552,500. loss of wages for 15 weeks at $1,800,000, and the cost of the military occupation at $200,000. He gives all the details. Apart from the purely monetary view is the fact that one man has been killed, six seriously wounded, and forty made to suffer minor injuries.

The greater loss, however, is imponderable. It is to be found in the damage to those moral and social forces which alone can make for genuine peace in any industrial situation. It may be admitted that there have been wrongs on both sides without weakening the obvious truth that such deplorable clashes are avoidable. Their very futility as a means of arbitration gives emphasis to that view. The loss is nearly always irreparable.

WOULD AMEND BANK ACT

Port Arthur News-Chronicle: An effect of the decision of the court of appeal in the case of the directors of the Home Bank, should be an amendment to the Bank Act. That act was revised a year ago, but it is not yet perfect. There is little doubt that the framers of the clause which was supposed to fix responsibility upon the directors to "manage" a bank throught that they had done a good bit of work. But when tested under actual conditions, the highest court in Ontario has decided that the clause is defective, so defective, indeed, that it in no way attaches responsibility to directors, who to the "best of their knowledge and belief" accept returns as made by the manager in good faith.

Nevertheless, it is essential that public confidence shall rest in the banks. It received a rude shock in the case of the Home Bank. With the decision of the court of appeal declaring that directors are not responsible for reports submitted to the government, there is danger that the public will lose some measure of confidence, and that would not be well for the banks, or enhance public welfare.

THAT PHASE IS PASSING

Grain Trade News: Mr. Jardine, U.S. Secretary of Agriculture, has just returned to Washington after an extended trip through the United States. Except in one state he says he found little or no demand among farmers for legislation creating a government purchasing or price-fixing body. During the past three years many such measures have been before Congress, and the demand for their enactment seemed very widespread and persistent. By one means or another all these measures were delayed or shelved, and opinion among the farmers has evidently now passed into a new phase. The improvement in the relative prices of agricultural staples has produced a profound change in point of view. During a period of financial difficulty it is easy to persuade oneself that artificial government action must be called into play. But natural economic laws will bring about readjustment more surely and more safely than can any appeal to bureaucracy. As we remarked a year or two ago, the United States has more or less consciously acted on the old medical maxim for trying to amuse the patient while nature performed the remedy. Canada also narrowly escaped becoming committed to doubtful and dangerous expedients during the same period, and some mistakes were actually committed. If the public only had a memory, recent experiences would help to lessen the danger of radical action in the future when temporary difficulties reoccur as they are certain to do from time to time.

August Dividend Payments

DIVIDEND PAYMENTS

Company—	Rate	Date	Amount
Amer. Salesbook, pref.	1¾q	1	$53,782
Belding, Corti., com.	.25	1	14,990
Can. Cement, pref.	1¾q	16	183,750
Can. Converters	1¾q	15	30,336
Cedar Rapids	¾q	16	66,750
Coniagas Mines	2½q	2	100,000
Dominion Bridge	1	15	65,000
Donnacona Paper, com.		—	30,000
Famous Players, pref.	2q	—	80,000
Hollinger Mines	1.6	12	393,600
Inter. Nickel, pref.	$1.50q	1	133,689
Kaministiquia	2q	15	49,940
Loew's Buffalo, pref.	2q	1	26,720
Montreal, L. H. Cons.	2q	15	1,292,160
Montreal Power	2q	16	376,000
Montreal Tramways	$2.50q	1	99,827
National Brick, pref.	1q	15	33,396
Ontario Steel, com.	1q	15	7,500
Do., pref.	1¾q	15	13,125
Penmans, com.	2q	15	43,012
Do., pref.	1½q	15	16,125
Russell Motor, pref.	1¾q	1	21,000
St. Law. Flour, com.	1q	1	12,000
Do., pref.	1¾q	1	10,062
Steel of Canada, com.	1¾q	1	201,250
Do., pref.	1¾q	1	113,688
Western Trust	2s	—	20,100
Total			$3,489,798

BANKS

Bank—	Rate	Date	Amount
Imperial	3q	1	210,000
Standard	3	1	144,720
Total			$354,720

q—Quartely.
s—Half-yearly.
m—Monthly.

BOND INTEREST

Company—	Rate	Due	Amount
Abitibi Pulp	5	1934	$96,945
Algoma Central	5	1962	124,817
Canada Bread	6	1941	32,322
Canada Foundries	6	1942	5,067
Canada Paper	6	1938	4,500
Can. Steamships (deb.)	5	1943	121,342
Can. Nat. Rlys.	5	1954	1,250,000
Do.	5	Ser.	562,500
Duluth S. Shore	4	1990	302,140
Harris Abattoir	6	1928	19,440
Holt Renfrew	6½	1937	19,500
Illinois Trac. A. & B.	5	1925	75,000
Inter. Tissue Mills	6	1935	9,600
Havana Elec.	5	1952	201,727
Lyall Cons.	6	1932	22,659
Maple Leaf Mill	6½	1943	65,000
Mexican Light	5	1933	283,512
Price Bros.	6	1943	300,000
Rogers, Wm. A.	6	Ser.	12,750
St. Maurice Power	6½	1953	293,362
Wpg. Sub. R. Tram.	5	1938	12,500
Wayagamack	6	1951	137,415
Woods Mfg.	6	1916-31	9,450
Corporation			$3,961,548
Municipal			x3,400,000
Provincial			x2,800,000
			$10,161,548

x—This figure is determined by dividing by 12 the estimated total interest payable during the year on these issues.

Fraser Preferred

We offer the 7% Cumulative Redeemable Convertible Preferred Stock of Fraser Companies, Limited, at $97.50 per $100 share, to yield the investor 7.18% free of normal income tax.

This is an issue which measures up to the highest standards of share investments. Nearly 50 years' operation, with satisfactory earnings over good and bad business periods; large margin of assets; a high dividend return and a conversion privilege of unusual interest.

We shall be pleased to send particulars to interested investors.

Royal Securities CORPORATION LIMITED
164 St. James Street
MONTREAL
Toronto Halifax St. John
Winnipeg Vancouver

Your Investments

Questions of general interest submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

The Rex Mine

J. M., Winnipeg.—Am anxious to get advice on the prospects of the Rex Mine at Herb Lake, Man.

Our advices from La Pas area and also from officials of the Rex Mine, are that this proposition is shaping up very well and is producing a considerable amount of ore. We understand that in a recent month, production ran $20,000.

Cockshutt Plow

Sooke. — Would you consider Cockshutt Plow a reasonably safe investment from a speculative point of view? Are dividends likely to be resumed in the near future?

It is very difficult to tell when Cockshutt Plow will be able to pay dividends. There has been considerable interest of late in the stock, which is now selling at around thirty-five, due to the bright outlook for the Western crop. Earnings of the implement companies are about on a par with last year, but if the crop comes through as expected, there should be a buying movement. Costs, we understand, are slightly lower. The stock we consider to be a very fair business man's speculation.

Northern Ont. Bldg.

Bank Manager, London, Ontario. -- Would you consider Northern Ontario Building (Bay and Adelaide Sts., Toronto) 6½ per cent. first mortgage, fifteen year sinking fund gold bonds a first class business man's investment?

The Northern Ontario building has an attractive site, one which is considered to be among the finest office locations in the city of Toronto. We understand that the Ontario government is taking a large portion, if not all of the ground floor, and that a number of mining brokers are renting space above. Those behind the project are responsible business men.

One must, of course, bear in mind that a state of relative over-building has resulted in some of the larger cities so far as office space is concerned. This tends to cause some hesitation in regard to the purchase of real estate bonds. On the other hand, it is logical that the better buildings will be filled and the earning power of the building in question should be assured.

Loblaw Groceterias

H. M., Toronto. — Would like your opinion on preference stock of Loblaw Co., Toronto.

As will be seen from the annual report of Loblaw Groceterias, Ltd., the company is very well maintaining its position as one of the leaders in the chain store field. The net profits of $275,615 last year were more than 50 per cent. of the preferred stock (prior) outstanding, as shown in the balance sheet. The first preference issue, of which only $3,300 is now outstanding, and the second preference issue (12 per cent. paid up) amounting to $237,000, were well protected as to dividends. In fact, a sum of more than $200,000 was available for the 72,000 shares of no par value common stock.

The chain store has evidently established itself on a solid basis in the grocery field. Of course, there may be some adjustments, as there frequently are when a new industry or a new form of merchandising is established, but there is every reasonable expectation that the Loblaw Company will be able to take care of its preferred dividend obligation by a substantial margin.

Border Cities Bonds

Banker, Stratford.—We have been offered 7 per cent. bonds of the Border Cities Co., Ltd. As some of our customers are interested we should be glad to have your opinion on this issue.

The undertakings of the Border Cities Company are something of a departure so far as Canada is concerned, but the plan, which involves purchase of real estate on a pool or syndicate basis, has been employed rather extensively in some of the leading cities of the United States. Its special feature is that the security is based on sales already made, and there is a first lien on balances due as well as on other properties owned by the company. The payments due are collected by a trust company and are more than sufficient to pay interest and sinking fund charges.

One feature of the issue concerned is that the responsibility is not joint and several, but is based on the individual unit of property owned. The Border Cities are enjoying an industrial development which promises to be quite extensive, and we are of the opinion that the issue has a very reasonable chance of proving a good business investment.

Fraser Company Bonds

Bank Manager, Hamilton, Ont.—Will you please let us have your opinion on Fraser Company bonds?

The Fraser Company's new issue of first mortgage bonds has received a good reception. A further issue of the bonds will likely be made to pay for the company's new paper mills, which are under consideration. We understand that the preferred stock issue was made to pay for the company's acquisition of timber holdings and mills of the Stetson-Cutler Company. These holdings, which are operated in connection with the Fraser Mills, should prove profitable. The new issue, of course, cannot be considered a seasoned investment, as the company is still in the midst of its work of building up a large papermaking industry out of what has been for many years a purely lumbering business.

The balance sheet of the company at the end of April showed a very liquid position, working capital amounting to $5,623,528, and the ratio between current assets and current liabilities practically three to one. Assuming a general improvement in business conditions, we see no reason why these bonds should not be a very good business investment.

Whalen Re-organization

Banker, Hamilton.—Will you kindly advise of arrangements made to reorganize the Whalen Pulp and Paper Co.

The Whalen Pulp and Paper Mills Limited comes up for judicial sale on August 31st. It is expected that the 6 per cent. first mortgage bond holders will be the only bidders at the sale. If this be the case the company will pass into the hands of the first mortgage bond holders.

In the meantime, the Royal Securities Corporation have made an offer to these bondholders—this offer, of course, is dependent upon the ownership of the company falling into the hands of the holders of these securities. It does not seem likely that any of the junior security holders will be able to raise sufficient funds to protect their equity in the property. The plan put up by the investment bankers to the bondholders consists in the formation of a new company. The bond holders in the old company will receive bonds in the new company to the par value of their holdings in the old. They will also receive $150 of new 7 per cent. cumulative preferred stock in the new company for every thousand dollar bond held in the old company. The Royal Securities Corporation are to receive all the common shares in the new company, and in consideration of this transfer they will purchase second mortgage bonds to the extent of $1,500,000 which will provide working capital for the new company with which to commence operation.

If the scheme goes through then, bondholders in the old pulp and paper company will receive, par for par, bonds in the new company, plus $150 in new preferred for every thouand dollar bond of the old which they held.

The Lure of Easy Profits

How Gullible Investors Make It Easy for the Fake Stock Salesman—What Are We to Do About It?

By J. HERBERT HODGINS,
In MacLean's Magazine.

HE STRODE down the maple-arched pathway toward the large, white frame house with an air of complete confidence.

He saw the three persons he wanted on the wide verandah, taking life leisurely. There was the father, typical gentleman of the old school, well removed from the "tricks" of business practice. There were the two daughters, each belonging to that reserved period when a trailing black, high-waisted skirt and white blouse were good style.

Alice, the more aggressive of the pair, gave the young man his first welcome, and, with Flora beside her, led the way to the high-ceilinged parlor where they sat stiffly upon walnut furniture that you and I might be disposed to put among our most treasured antiques.

"It's a wonder proposition," he cried, with a flourish of his hands. "The rarest opportunity I have ever had to offer my clients."

Your high pressure man makes a specialty of superlatives!

"The Magic light," he went on to explain, "is a winner. It puts daylight into the gloomiest kitchen. No woman wants to be without it. The company can't begin to keep up with the demand. The factory is running day and night. No telling what the earnings will be—dividends will be ten, twenty per cent.; perhaps more. It's a gold mine!"

"It certainly sounds well, Mr. Dank," acknowledged Miss Alice, who hesitated to have the young security salesman think she was in the least sceptical of his offering. Nevertheless she felt she should make some slight inquiry if for no other reason than to demonstrate that she had an intelligent interest in the subject. "But are you sure, Mr. Dank, that the company will continue to make these fine earnings?"

"Sure? Am I sure?" he tossed back his patent-leathered hair with a boisterous laugh. "There's nothing surer on little old mother earth! I'll let you into a secret; it is not generally known, but I don't mind telling you that the Magic Light Company has sold its entire output to the Eaton Company—need I say more?"

The trio nodded their heads in complete agreement.

In the parlance of the high pressure man, himself, he "had 'em sold." If Eaton's had contracted to buy the Magic light the success of the company must be assured!

So Mr. Dank, the sauve young member of the sales force of Getem and Doem, financial agents, permitted Miss Alice, her sister, and her unquestioning father, to "get in on the ground floor."

Lure of Big Dividends

They were lured by the magic of twenty per cent. dividends. They were convinced by glib mention of an enterprise of national repute. It never occured to them, before parting with their nest egg, to find out positively if Eaton's had consummated a contract with the Magic Company.

That's the way of these fraudulent stock pedlars. They get their money with such pathetic ease; pathetic, that is, having regard for the resources of the "investors" concerned.

Miss Alice, her sister, and father, are like so many hundreds of Canadians. They are ultra-conservative in their mode of daily life; they cling to the old-fashioned. But they order up jazz when they step out to "invest." They spurn five and six per cent.. which is good enough company for seasoned, cautious, successful investors.

It is not surprising, then, that millions are lost annually, in the aggregate, by the small investors of the Dominion. It is estimated that the yearly loss to the public in the United States, through the operation of sellers of hazardous and fraudulent securities, amounts to the stupendous sum of $700,000,000.

"In Canada no such figures so far have been compiled," says a report of the Vigilance Committee of the Bond-dealers' Association of Canada, "but if you divide the amount by twenty, you get the sum of $35,000,000, which might be regarded as an approximate amount, lost by the people of Canada through the purchase of undesirable securities."

Thirty-five million dollars, annually, lost by Canadians in worthless investment! They don't get a speculative run for their money!

A National Wastage

When it is considered that this means a distinct loss to approximately that amount, not only in large part in depleted bank deposits and to the business of sellers of legitimate securities, but a loss also in the purchasing power of the retail buyer, it is a situation worthy of the careful consideration not only of the bond-dealers' association, but also of the wholesale and retail mercantile organizations throughout the country.

Hundreds of persons will buy bonds and stocks on the mere say-so of a salesman, a complete stranger.

You would think that "song hits" would be the last thing to be promoted among farmers. It remained for Joseph X. Hearst, who came to Winnipeg in 1921, of unknown antecedents, to stimulate enthusiasm for commercialized music among the small investors of the prairies.

Joseph X. started Hearst Music Publishers, and was not long in attracting public attention by "dispersing" one hundred per cent. dividends. Those who received these abnormal dividends left their cash with Mr. Hearst; pyramiding their stock holdings.

This merry financing went on until December, 1924, when Mr. Hearst suddenly left Winnipeg. In the words of the Manitoba Free Press: "In three years he abstracted some six or seven hundred thousand dollars from the pockets of credulous victims in Manitoba, and he has now disappeared; thirty-five dollars to the credit of the fake company he organized and promoted are all the cash assets he left behind."

It was another instance of neglect minutely to investigate glib statements of promoters. Hearst salesmen circulated statements to the effect, for instance, that the company had sold fourteen million copies of a single song to Marshall Field, Montgomery Ward, Jerome H. Remick, Sears, Roebuck, and others.

Like the salesman for Magic Light stock, Hearst capitalized the psychological effect of healthy sounding names.

And like Miss Alice, and her kin, the public "fell for it."

Pyramiding of "Profits"

It is a favorite dodge of fraudulent stockbrokers to operate as a trust with the public's savings and to announce super dividends every month; at least quarterly. Now and then "investors" are permitted to withdraw profits; at least in the initial stages of the "come-on." But the underlying idea is to persuade the "investor" to pyramid profits into stock holdings.

Charles Sheldon tried this scheme in Montreal a decade or more ago. Ponzi put over the same trick in Boston more recently. A "savings company" in Toronto, a few months since, distributed a brochure promising eighteen per cent. dividends. The Vigilance Committee of the Bond-dealers' Association initiated inquiry and the "company" passed out over night!

Fake mining and oil stocks are evergreen bait! It does not seem to matter how often men and women are "bitten;" they invariably nibble again if the bait is presented in new form. The salesman for a "dangerously optimistic" mining venture confessed his experiences in going about the provinces and chuckled at the gullible folk he met.

One day he encountered an irate individual; irate because at one time he had been stung with mining stock.

This young man was astute in high pressure salesmanship. He let the disgruntled person tirade, to his heart's content, against mining stock salesmen in particular and in general.

"I have a fine proposition," he said at the end of the other man's abuse. "But after all you have had to say of your experiences with mining stocks I shall not ask you to buy mine."

Nothing could more completely have intrigued the other's interest.

The next morning the man, who had foresworn mining stocks, appeared at the hotel where the salesman was registered. Reassured at finding him, he insisted upon buying one thousand shares without so much as making a single inquiry. Tribute to suppressed salescraft!

Education and Legislation

In the full knowledge that this insidious drain of investment funds into false channels persists, what is to be done about it?

The bond-dealers of Canada and the United States in conjunction with the National Better Business Bureau have done effective vigilance work in many parts of the continent. The Bond-dealers' Association of Canada has been insistently endeavoring to bring about "blue sky" laws by which the Canadian public will be protected. Provincial governments are alive to the situation to the extent that "blue sky" laws have been passed in the different provinces, with the exception of British Columbia and Prince Edward Island. These laws take different forms. Some, like Ontario's, demand that security sellers be properly licensed; all endeavor to provide that full information be available to every investor before purchase. The chief difficulty with the provincial "blue sky" laws is their lack of uniformity. No doubt this fault could be overcome by federal legislation. Legislation similar to the methods employed at Washington during the war period when federal sanction—which was not, however, the equivalent of a federal guarantee—was necessary to a security issue, is along the line of what is needed at the present time.

"It is, of course, impossible to provide a method by law or by any other means, that will entirely protect all classes of people against the influences of the glib salesman," concedes F. J. Coombs, last year's president of the bond-dealers' vigilance committee, who, however, adds: "But we believe progress is being made in the right direction."

HAVING been associated with the original issue of the following securities, we are at all times prepared to quote markets in them.

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Bell Telephone 1st 5's..1955
Quebec Power 6's 1953
Jamaica P. S. 6½'s.....1943
Brompton P. & P. 6's..1939
Brompton P. & P. 8's..1941
Howard Smith 7's 1941
Drummond Inv. 6½'s...1938

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TORONTO 14 King Street E.
OTTAWA 46 Elgin Street

THE PINCH OF TAXES

Ottawa Journal: Every day the proofs multiply of the injurious effects of excessive taxation. In the United States there are persistent complaints against the calls made upon the people by the federal and state governments; yet taxes have been materially reduced across the border during the past five years, and President Coolidge has just announced a further cut. It is depressing to realize that in Canada an extravagant and inconsiderate Dominion government has actually increased the tax burden during that period. This may be due to our relatively submissive attitude. However, the time would seem to be near at hand when the taxpayers will have the opportunity to be articulate.

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Assessments in B.C. Higher Than Actual Land Values

Fictitious valuations for assessment purposes are in vogue in parts of British Columbia. This situation, dangerous for the investor in municipal bonds, is revealed by the annual report of B.C.'s inspector of municipalities.

Municipal assessments, both urban and suburban, are beyond the actual value of the lands, according to the report. Such a condition causes fictitious values, and he recommends that adjustments should be made.

"It is represented that if the values were reduced the tax rate would have to be increased," Inspector Robert Baird states in the report. "I can see in this no justification for fictitious values.

"The assessor in returning his roll to the council must furnish a statutory declaration to the effect that he has set out in the roll, to the best of his judgment and ability, the true value of the lands and improvements within the municipality, in accordance with the Municipal Act.

"I fear that in many cases this declaration is too lightly taken; there is probably no idea of doing anything of a fraudulent nature, it is rather a misconception with regard to the best interests of the municipality."

The inspector is critical, too, of the action of some municipalities in "improving" their sinking funds by the simple expedient of writing securities up to par. He comments: "I can not see that any good object is accomplished by this policy. It gives a misleading statement of the year's business and it places a more or less fictitious value upon the assets.

"It is quite true that it is expected that the face value will be realized from these securities, but it is nevertheless conceivable that future councils might find a better investment in securities bearing a higher rate of interest, and in such a case it might be necessary to write their investments down and again show a misleading statement."

A favorable feature of the report is the part that debenture debts of the municipalities of the province showed an actual reduction during the year.

The report states there was a reduction of $170,000 in the debenture debt of British Columbia municipalities. Total new borrowings in the province did not amount to more than $865,593, while reissues reached $1,065,000 and a loan to cover an overdraft was $585,000. Altogether by-laws certified during the year represented borrowings to the amount of $2.515,563.

Expenditures for the year 1924 show little change. The gross taxes levied in 1924 were $14,537,066, as compared with $14,458,471 the year before. The rate in 1925 will be about the same as in 1924.

News of the Investment Market

BOND PRICES FIRM BUT ISSUES FEW IN LOCAL MARKET

Large Volume of Foreign Financing Commences in New York

It seems strongly probable that some of Canada's financing this autumn will go to the British market, especially the £5,000.000 sterling which matures in London shortly. In fact it is probable that provision has already been made with the proper authorities for the retirement of this amount. There is a general impression that the London market will again come in for a large share of the financing now carried on almost exclusively by New York, during the fall months.

According to present indications there will be a heavy program of foreign financing in New York between now and the end of the year. The $30,000,000 Denmark issue announced this week and the Australian issue of two weeks ago have started the ball rolling and it is probable that total foreign financing in New York will be somewhere between $500,000,000 and $750,000,000 during the season. A considerable block of most of the issues floated in New York find their way to the Canadian market.

Very few offerings have been made in the domestic market during the current week, and the prospect is for a quiet period for some little time. The Ottawa issue of $620,221 is the only municipal issue of size, and there is very little taking place in the field of industrial bonds. Two or three of these, such as the Ardley Collieries issue. the Dale furniture issue and the Two Hundred Saint Clair West Apartment offering, all of which are discussed elsewhere, are selling quietly.

While the price of bonds both here and in New York remains strong for the present, some observers look for a possible easing in New York on account of present conditions. In addition to the large volume of foreign fiancing referred to above, business has shown more definite signs of improvement during the past month than for some time. There is a decided upward movement in virtually all lines with the possible exception of certain branches of the textiles. This, along with the beginning of grain shipments, means the diversion of a much larger volume of funds to commerce and agriculture.

Another movement of some importance, in so far as the United States market is concerned, is the drastic reductions which are being made in taxes, both federal and state. This is having the effect of diverting attention of investors at the moment from the tax-frees to the taxable bonds of a higher yield. The advantage now is in many cases only marginal, and there is likely to be a fairly large turning to the other issues of which there is a much larger variety, and in the case of which the yield is more attractive. How it will affect the Canadian market is a matter of speculation. It is almost certain to have a tendency to reduce the advantage which many of our issues now have in view of their higher yield. In other words, it will in all probability reduce the margin between the Canadian and American bond price levels to the disadvantage of the former. Here is one place where a big reduction in Canadian taxes would help the country materially.

Dale Furniture Co. Floats Bond Issue

To take care of continued expansion and new business offering is the reason given for the flotation of 25,000 shares of 7 per cent. cumulative participating preferred stock by the Dale Furniture Co., Ltd., of Toronto. The shares have a par value of $10 and pay at the rate of 7 per cent. per annum. The issue is being sold by Hubley and Co.

The Dale Furniture Company was founded in 1902 by Joseph G. Dale, under whose management the business has developed from extremely small proportions. To-day it has assets of $250,000. Profits have been turned back into the business and this provides a substantial security for the present preferred issue. With the establishment of the mail order and other departments contemplated, it is estimated that the business of the company will be increased by $200,000 per annum, with but slight increase in operating expense. Mr. Dale will continue at the head of the firm, and the management continues in the hands of the same officers.

The total net assets of the company are equal to more than $20 for each share of preferred stock, which represents a very substantial security.

$400,000 Bond Issue to Develop Power

An issue of $400,000 first mortgage 6 per cent. bonds of the Quinte and Trent Valley Power Company, Ltd., is being offered to the public this week by Johnston and Ward. The new money is for the purpose of developing power at Frankford and Campbellford in the Trent Valley. The bonds are being offered at 98.5 to yield 6⅛ per cent.

The district in which the company will operate is dotted with prosperous towns and villages. Within a radius of 35 miles of Frankford are such manufacturing centres as Belleville, Napanee, Cobourg, Trenton, and others. There is no surplus of power in the district at present and there can be little question of permanent demand. The power rights permit the company to utilize, without cost to themselves, dams at Campbellford and Frankford, built at the former town by the Ontario Hydro Electric Commission and at the latter by the Department of Railways and Canals. The company also enjoys on the same basis, conservation work carried out by the Ontario government on the headwaters of the Trent River. The power rights have been valued at $350,000 by independent appraisers, so that on completion of the works assets will total $1,875 per $1,000 bond.

The company will immediately develop 4,000 h.p. at the two centres mentioned.

New Bond Flotation to Develop Coal Fields

A $250,000 bond issue of the Ardley Hardite Collieries Ltd. is being offered by Hubley and Co., of Toronto. The bonds are 7 per cent. and run for 15 years. The Ardley Hardite Collieries are miners and shippers of Alberta coal. The company holds a 21 year lease from the Dominion Government on 1,409 acres of coal land on banks of the Red Deer River, and a twenty year lease on another piece of land from the Canadian Pacific Railway. It is claimed that a rich seam of high grade domestic coal has been located on the property and that 11,750,000 tons of coal is recoverable from this seam alone. The same company has been operating the property for some years, but decided to obtain additional funds to carry on their work of development on a larger scale. It is stated that about $50,000 will be spent on new machinery, and that not more than $25,000 of back obligations will have to be met.

The company states that the natural market is in the prairie provinces, but that some coal is being sold at the present time in the adjoining states. Owing to the scarcity of developed coal in Canada and the need for same within an area in which freight rates are not prohibitive, the company feel that they will be able to market their product for a considerable number of years. The coal, according to statements made, is of a high grade, harder than most domestic coals, and has a very low percentage of ash.

There are only 2,500 shares of common stock, of no par value and most of this is owned by about 30 individuals. There is also issued $76,000 of 8 per cent. cumulative preferred stock out of $250,000 authorized. The new issue is being sold at 97 and will yield about 7¼ per cent.

DENMARK BOND ISSUE HAS GOOD RECEPTION

$30,000,000 Offering Sold in N. Y. Beginning of Large Volume of Foreign Financing

The $30,000,000 bond issue of the old Kingdom of Denmark, which is being sold in New York this week, and a considerable portion of which will undoubtedly find its way into Canada, is of something more than passing interest to the investment world. This loan is principally for the purpose of refunding the eight per cent. dollar loan now outstanding, and to this extent does not involve an increase in the debt of the state.

In comparison with that of Canada the national debt of Denmark is remarkably low, being only about $285,000,000, or $88 per capita, while the Canadian gross debt, at the time these figures were compiled, was about $2,870,000,000 or more than 10 times as great, although the population of Canada is less than three times as great as that of Denmark. In addition to having developed continuously during the war period, Denmark has the advantage of not being burdened with a huge war debt. Her budget for the year ending March 31, 1926, provides for ordinary and capital expenditures of $98,697,000, while revenue is estimated at $98,079,000, leaving a surplus of $618,000.

Country Stable Politically

Denmark is an agricultural country and an exporter of food products. She is probably one of the most intensively developed agricultural countries in the world. Nearly two-thirds of the land is divided into farms averaging about 35 acres each. The dairy industry is very highly developed, Denmark having been the largest butter exporter in the world prior to the war. Other branches of farming are highly intensive and the products standardized so that the marketing problem is not a serious one. A highly-developed co-operative system has been built up for this purpose, as well as to provide credit to the farmers for the more intensive working of their land. The peasants own about 73 per cent. of the land, and there is, as a result, a remarkable freedom from radical agitation and from revolutionary propaganda. Denmark is one of the most democratic countries of Europe. All financial legislation must originate in the lower house of parliament, the members of which are chosen by direct popular vote on a basis of universal suffrage.

Denmark has always enjoyed a credit standing which ranks with the leading countries of the world, its finances having been carefully and conservatively managed. During the 20 years preceding the war Denmark borrowed abroad at from three to four per cent., and the enthusiastic reception of the present issue is not surprising.

Manufacturers Oppose Hydro Plan at Peterboro

PETERBOROUGH. — Peterborough branch of the Canadian Manufacturers' Association has gone on record as being unequivocally opposed to the proposition of the Hydro-Electric Power Commission that the city take over the street car system. Hydro's contention is that other cities and towns in the Central Ontario system should not be required to make up the yearly deficit on the Peterborough street car system, amounting in eight years to $181,000. The proposal made by Hydro is that the city pay $150,000 for the system, spend $75,000 in rehabilitation and allow the Hydro-Electric Power Commission to operate it for the city.

Having paid as purchase price in 1916, $288,000, spent a further $52,000 on rolling stock, etc., and having suffered $181,000 loss in operation, Hydro has lost in all $521,000 on this system. The net loss if it turns it over to the city for $150,000 will be $371,000.

BOND MOVEMENTS OF THE WEEK

WEEK ENDING JULY 28

BONDS	Int. Rate	Due Year	Yield	Range 1924 High	Range 1924 Low	Range 1925 High	Range 1925 Low	Latest Price Ask	Latest Price Bid	Latest Price High	Latest Price Low
C. C. Rubber	6	1946	6.00	102¾	98¼	100⅝	95	—	100⅛	100¼	100¼
Cedar Rapids	5	1953	5.00	99¾	95	101	97	100⅛	99	100	100
Mont. Power	4½	1932	4.97	97½	95	97½	97	—	97¼	97¼	97¼
Mont. Tram.	5	1941	5.18	95½	91	98¾	93	97¾	97¼	98	97⅛
Que. Rly.	5	1939	5.20	91	80	98	89¼	95	—	98	97⅛
Rio Jan.	5	1935	5.66	87	84	95¼	82	91½	90	95¼	94½
War Loan	5	1925	5.00	100.95	100.15	101.15	100.05	100.25	100.15	100.25	100.05
Do.	5	1931	4.56	102.45	100.60	102.65	101.00	102.35	102.25	102.35	102.10
Do.	5	1937	4.51	103.85	102.60	104.95	103.80	104.75	104.65	104.55	104.50
Victory Loan	5½	1927	4.31	103.05	102.05	103.15	102.15	102.45	102.30	102.35	102.25
Do.	5½	1933	4.59	100.70	100.30	107.00	105.85	106.20	106.05	106.35	105.85
Do.	5½	1934	4.94	104.70	102.85	104.75	103.20	104.10	103.95	104.25	103.95
Do.	5½	1937	4.52	108.90	106.15	110.00	108.45	109.25	109.10	109.40	109.15
Do. Renewal	5½	1927	4.70	102.70	101.10	102.95	101.35	101.70	101.60	101.80	101.35
Do.	5½	1932	4.98	103.90	102.10	104.20	102.95	103.35	103.25	103.45	102.95
Do. Refund	5	1928	4.90	100.85	99.40	101.45	100.35	100.75	100.60	100.45	100.35
Do.	5	1943	4.83	102.85	99.00	102.90	101.15	102.35	102.20	102.15	102.00
Do. "	4½	1944	4.70	97.15	97.00	97.35	95.10	97.20	97.10	97.30	97.15

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MUNICIPAL TAX ON INCOMES MUST NOT CURB TRADE

Ontario's System is Typical of Successful Operation of This Tax

By GEORGE HURST,
Chief, Ontario Income Branch, at Canadian Tax Conference, Montreal.

It is claimed that the Ontario income tax is a most reasonable form of taxation for the following, among other reasons:

1. It is elastic and productive of reasonable revenue; it has no rising scale such as that adopted by the Federal Government.

2. It is equitable and grants relief to those least able to pay, exempting from personal earnings a living wage from every income and taxing a man according to his income and ability to pay.

3. It does not hamper, to any degree, process or manufacture or interfere with the course of trade as excise duties do.

4. It does not fall on the man who has suffered a loss in his business or is just struggling to make his way.

5. It does not prevent anyone starting a new business or extending an old one as many systems of licenses do.

6. The income assessment is made and the taxes levied on the same only after the income has actually been received or the profits from a business earned.

Under a by-law of the city council, every person who is a resident of the municipality and is in receipt of an assessable income and who has not received, from the assessor, an income return to be completed, must, between February 14th and 24th, complete and file a return showing the income received by him during the previous twelve months. It is to be expected that there are new residents coming into the municipality who are immediately liable for a return under this by-law, which is widely advertised in the daily press. Each year, we received hundreds of returns from this source.

When the returns are received in the office, they are stamped, showing the date of receipt, and immediately checked off the assessors' registers. Should the return be accompanied by a letter, the letter is properly recorded and numbered, and, in due course, acknowledged.

In order to have a complete system of checking, we have individual cards showing the name of the person assessed, the address and a list of dividends paid to him by incorporated companies. These cards were prepared to extend for a period of eight years and we have two classes—one for investments in financial institutions, such as banks, loan and insurance companies—and which correspond with the income reported under Section 4 of the income return, and the other for mercantile and manufacturing businesses carried on within Ontario and which dividends should be reported under Section 3 of the return.

Approximately 5,000 incorporated companies make returns to the office showing the names in full and addresses of the shareholders and the amount or value of stock held as of December 31, then last past and the amount of dividends paid to each during the previous twelve months. The information obtained from these returns is, of course, transferred to the individual cards and, after the returns are all in, a record of the dividends paid to each individual is then forwarded to the assessor and attached to the return which has already been filed.

List of Employees

Over 10,000 returns are received from employers of labor giving the names and addresses of employees, the amount of wages or remuneration paid and the number of months employed during the previous year, as well as whether the employee is a British subject or alien and a public or separate school supporter. These returns, when received, are checked with the assessment roll to ascertain whether the names of the persons shown on the employers' returns are entered on the assessment roll as householders or non-householders in order that the proper exemption may be allowed, namely, $1,000 for non-householders and $2,000 for householders.

The department receives from the Surrogate Court a copy of all wills filed there for probate, as well as application for administration of estates where no will has been made. These documents give a complete list of the assets of the estate and who the beneficiaries are. By the careful checking of the information obtained on these documents, the department is enabled to keep a close record of income received by beneficiaries of an estate. Executors and trustees are also requested to submit to the office a statement showing the names and addresses of beneficiaries to whom income was paid during the previous year and other necessary information. A complete record of mortgages registered in the registry office is also compiled by the department. Approximately 80,000 records are on file and, as the mortgage is assigned or discharged, our records are altered accordingly.

The information obtained from these and other sources is, of course, consolidated and forwarded to the assessor on separate slips which are attached to the individual return filed by the taxpayer. When these additional slips have been attached to the returns, they are handed to the income branch to be checked and it will be readily understood that, with this vast amount of information consolidated and compiled, the checking of the return is made a very simple matter.

Once the returns are checked, they are forwarded to the assessor and the income assessments are entered in the assessor's field book, of which there are 455, in the same manner as an assessment of real property or business assessment, each assessment having a separate and distinct assessment number. When the field book has been completed, it is returned to the office and the assessment roll is then written and, in due course, sworn to by the assessor, prior to which the assessment notice has been sent out to the person assessed showing the amount or amounts for which he has been assessed.

Under the act, ten days are allowed for an appeal to the court of revision and the dates for hearing the appeals by the court are set by by-law of the city council. These dates are so arranged as to enable the department, as well as the court of revision, to carry on their respective duties with as little inconvenience as possible. Appeals from the decision of the court of revision may be made to his honor, the county judge, both by the municipality and by the ratepayer and, in cases of assessment of $40,000, or over, an appeal may be had further to the Ontario railway and municipal board. An appeal shall also lie to a divisional court from the judgment of the county judge on a question of law or the construction of a statute, a municipal by-law, any agreement in writing to which the municipality concerned in a party or an order or judgment of the Ontario railway or municipal board.

Any person desiring to appeal to the divisional court shall, on the hearing of the appeal by the county judge, request the judge to make a note of any question of law or construction and to state the same in the form of a special case for the divisional court.

Upon an appeal on any ground against an assessment, the county judge, Ontario railway or municipal board or a divisional court, as the case may be, may re-open the whole question of the assessment so that omissions from and errors in the assessment may be corrected and the accurate amount for which the assessment should be made and the person or persons who should be assessed therefor may be placed on the roll by the judge, board or court and, if necessary, the roll of any particular ward or sub-division of the municipality, even if returned as finally revised, may be opened so as to make the same correct in accordance with the findings of the judge, board or court.

After the assessment has been completed, the income returns are then filed away with the number under which the assessment has been made entered on the same. This is done for readv reference both regarding appeals against the assessment and in the following year when the tax bill is issued.

Municipal and Provincial Finance

CALGARY COUNCIL UNANIMOUS FOR SPILLERS BY-LAW

Question Left to Ratepayers Who Will Decide August 12

CALGARY.—The movement to establish a larger number of industries in the cities of Western Canada will have been advanced materialy if the ratepayers of the city approve of the by-law unanimously passed by the city coucil this week, to grant special assessment concessions to Spillers Overseas Industries Limited. The voting is to take place on August 12.

The coming of such industries as this to Western Canada is expected to help materially in solving the problems of municipal finance, in addition to the other advantages arising. In case of the Spillers mill, a fixed assessment of $200,000 is to be made on the buildings of the company which will be valued at $800,000, for a period of 15 years from the beginning of 1927. Should additions be made to the plant, the assessment will be adjusted at the same rate. At a rate of 40 mills the city will realize $8,000 per annum while the property in question is yielding an extremely small revenue to the city. It was pointed out that the city now has a revenue of $25,000 per year from a plot in the purchase of which certain concessions were granted to the Imperial Oil Company, while the land was previously assessed at $800 per year and was $28,000 in debt. The same is true in respect to properties obtained by the Canadian Pacific Railway for their shops.

Establish Milling Industry

While the plant which Spillers propose to build will not employ a large number of men, it is felt that it will be another step in making Calgary the milling centre of the West as is Minneapolis in the Western United States. It was just in the same manner that Minneapolis built up its gigantic industry, by offering certain concessions to the millers for a specified period. It is some years since any large industry has moved to Western Canada, and the begining of this new movement, if it can be considered as such, is welcome. It was argued by those in favor of granting the concessions that the new plant would give a renewed impetus to export business from the prairie city, and that Calgary was the logical centre of these operations. If the by-law is passed by ratepayers on the 12th the company being organized under the name of Spillers Canadian Milling Company Ltd., will be incorporated within fifteen days, and it will be only a short time before actual construction operations commence.

Some difference of opinion existed on the part of the city authorities with regard to whether or not some more definite promises should be made by the company with regard to labor employed, wage rates, and so on. No fair-wage clause is included in the section promising that Calgary labor would be employed as much as possible on the construction of the mill. A verbal statement, however, was made by P. Lloyd Tanner, representative of the Spillers organization, that the wishes of the city and the usual practice would be followed in his respect.

While there was some opposition on the part of certain aldermen who are opposed on principle to the granting of any such special privileges which may act to the disadvantage of those firms which are already in the field, the feeling in favor of granting the concession is almost unanimous.

Deficit on Municipal Abattoir Now $495,000

The deficit on the municipal abattoir from its inception to date was $495,480, according to a report of City Auditor Scott to the board of control. This allows for depreciation on plant of $237,000, debenture discount of $195,000 and taxes of $124,000. Operating profits amounted to $558,000. Last year there was operating profit of $30,000 and the net deficit for 1924 was $21,996.

NOVA SCOTIA FACES DEFICIT

A deficit of at least $1,000,000 in the provincial current account was predicted by Premier Rhodes, speaking in Sydney. The premier pointed out also that wages paid in the coalfields were $29,000,000 less in 1924 than in 1920 and that in 1925 they promise to be just slightly more than half what they were five years ago.

LABOR SURPLUS IN NORTH

TIMMINS.—The unemployment situation is reaching serious proportions in Northern Ontario. Close to 1,000 men are believed to be out of work in the Porcupine district. The greatest number of these are at Timmins. At Cobalt, too, many men are stated to be out of work. This unemployment is not caused by the laying off of men at the mines. To the contrary, the combined gold and silver mining industry of Northern Ontario is employing a greater number of men than ever before in history. However, a great many men have flocked into the district—attracted by reports that railway construction would be commenced through the Rouyn mining fields of northwestern Quebec, which is still pending.

Evidence on Pepall Case To Be Taken in England

Mr. Justice Rose has just granted an order at Osgoode Hall which makes provision for the taking of evidence in England on behalf of the crown in the case against Andrew H. Pepall. The evidence is largely that of certain officials of the banks connected with the purchase of the bonds, who looked after financial arrangements for the payment. The order contains the following explanatory statements:

"As a result of the transactions in England already referred to, the said Aemilius Jarvis, the elder, and the said Andrew H. Pepall improperly obtained for themselves large sums of money, the total amount being in excess of $500,000 and the charges already referred to against the said Andrew Pepall are in connection with a portion of this $500,000 so improperly obtained and disposed of by him.

"The said Sir John Ferguson and Mr. John Scrimgeour can give necessary and material evidence in support of the crown's case, in that they can testify as to the negotiations which took place in respect to the purchase of the said bonds, the prices paid therefor, the means employed to get them, the financial arrangements for their payment and the part that the said Andrew H. Pepall took in all these matters, as well as to the amount of money so improperly obtained."

This Week's Bond Sales

SAINTE THERESE DE BLAINVILLE BONDS

Only a few bids were submitted on the $75,000 issue of five per cent. serial bonds of the congregation of Ste. Therese De Blainville, Que. The issue was awarded to L. A. Renaud & Co., at 99.126. Other bids were:

Credit Canadien Ltee.	98.768
Versailles, Vidricaire, Boulais	98.53
Rene T. Leclerc	98.13

FORD SCHOOLS ISSUE

An issue of $160,000 5½ per cent. thirty instalment bonds of the Roman Catholic separate schools of Ford City was sold to Harris, MacKeen & Co., this week at 96.55. This represents a yield of about 5.80. Bids were tendered also by:

Macneill, Graham & Co.	96
Toronto Bond Exchange	96
McLeod, Young, Weir & Co.	94.24

THOROLD BONDS SOLD

An issue of $35,000, twenty instalment, five per cent. bonds, were awarded this week to Murray & Co., at 99.88, which represents a yield of around 5.05 per cent. The other bids submitted were:

Dyment, Anderson	99.70
McLeod, Young, Weir & Co.	99.68
Municipal Bankers	99.65
Toronto Bond Exchange	99.52
C. H. Burgess	99.431
Wood, Gundy	99.20
Gairdner, Clarke	98.832
Bell, Gouinlock	98.63

OTTAWA BOND ISSUE

The Dominion Bank and Cochran, Hay & Co. were the successful bidders for the $620,221 issue of five per cent. debentures of the city of Ottawa, sold July 24. The price was 100.747. The issue is 30-instalment bonds sommencing July 1, 1926. Other bids were:

H. C. Monk & Co.; Fry, Mills, Spence & Co.; Mead & Co., Ltd.	100.518
Hanson Bros.	100.512
Matthews & Co., Ltd.	100.41
C. H. Burgess & Co.	100.261
Bell, Gouinlock & Co.	100.24
McLeod, Young, Weir & Co., Ltd.	100.22
Wood, Gundy & Co.	100.11
Rene T. Leclerc, Inc.	100.05
National City Co., Ltd.	99.59
Harris, Forbes & Co., Ltd.	99.561

KITCHENER SCHOOL BONDS

An issue of five per cent., thirty-year debentures of the Kitchener schools, was awarded to Cochran, Hay and Co., at a price of 100.035. Other bids submitted were:

Macneill, Graham & Co.	99.65
McDonagh, Somers & Co.	99.59
Bell, Gouinlock & Co.	99.43
C. H. Burgess & Co.	99.69
A. E. Ames & Co.	99.53
Housser, Wood & Co.	99.85
Gairdner, Clarke & Co.	99.632
Toronto Bond Exchange	99.36
Waterloo Trusts & Saving Co. and Fry, Mills, Spence	99.57
Murray & Co.	99.88
Matthews & Co.	99.83
Dominion Securities Corp.	99.191
Municipal Bankers' Corp.	99.42
Dominion Bank	99.89
Bank of Commerce	99.86
H. R. Bain & Co.	99.80
McLeod, Young, Weir & Co.	99.39
Wood, Gundy & Co.	99.716

CHAPLEAU TOWNSHIP ISSUE

An issue of $50,000, 5½ per cent., thirty-year instalment bonds of the Township of Chapleau, Ont., was sold to J. L. Goad & Co., at a price of 105.67. Other bids were as follows:

J. L. Goad & Co.	105.67
Dyment, Anderson & Co.	105.31
Matthews & Co.	105.24
Gairdner, Clarke & Co.	104.93
Fry, Mills & Spence	104.67
Wood, Gundy & Co.	104.60
C. H. Burgess & Co.	104.58
Municipal Bankers' Corp.	104.50
McLeod, Young, Weir & Co.	104.37
Bell, Gouinlock & Co.	104.04
Macneill, Graham & Co.	103.678
Dominion Securities Corp.	103.11

Municipal Notes

MANITOBA REVENUE UP

According to a statement made by Premier Bracken recently, the Manitoba government shows an apparent surplus of $125,000 for the eight-month period just ended. The estimated deficit of $241,000 which was forecast for the period in the budget presented to the legislature last session has been overtaken by a decrease in expenditure of $147,000, and a revenue increase of $219,000, according to the premier.

HOUSING COMMISSION PAYS WAY

The chairman of the Winnipeg Housing Commission, H. C. Thompson, has ordered the payment to the city of $1,500 per annum to cover business tax, fuel and office rent. The commission is already paying $1,500 to the city for clerical services, hence they are now paying $3,000 in all. Practically no arrears of tax payments exist at present. The commission paid the city $74,811 for taxes on commission-built houses on July 15. Their surplus and reserve account now stands at $57,580.

SUDBURY LOWERS TAXES

The town of Sudbury has been making a steady reduction in the tax rate for the past three years. The 1925 rate has been struck at 41 mills, a reduction of 3.30 mills from the 1924 rate. The amount raised by taxes last year was $229,928, while this year's total will be $292,539, made up as follows:

	Assessment	Rate	Amount
P.S. Deb.	$4,267,387	4	$ 17,069.55
P.S. Maint.	4,397,202	11	48,369.22
S.S. Deb.	2,242,919	6	13,457.51
S.S. Maint.	2,113,104	21	44,375.18
High School.	6,510,306	8	52,082.45
General	6,510,306	18	117,185.51
Total			$292,539.42

Tenders and By-laws

TENDERS WANTED

August 10, Village of Saint-Alexis-de-la-Grande-Baie.—$141,000, five per cent. serial bonds. F. Bergeron, sec'y-treas.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES.

MUNICIPAL

Place	Date	Purpose	—Sold To—	Rate	Maturity	Amount	Price	Yield
Ottawa	July 24		Dominion Bank and Cochran, Hay & Co.	5%	30-instal.	$620,221	100.747	....
Thorold	July		Murray & Co.	5%	20-instal.	35,000	99.88	5.05
Kitchener (Sch.)	July		Cochran, Hay & Co.	5%	1955	90,000	100.035	....
Chapleau Township	July		J. L. Goad & Co.	5½%	Serial	50,000	105.67	....
Ste. Therese De Blainville	July		L. A. Renaud	5%	Serial	75,000	99.126	....
Ford City—R. C. Schools	July 29		Harris, MacKeen & Co.	5½%	Serial	160,000	96.55	5.80

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Insurance for Buyer and Seller

SUCCESSION DUTY IS INCENTIVE FOR LIFE INSURANCE

One of the Factors Making for New Records This Year

A survey of the insurance business in Canada for the six months ending with June, indicates an increase in life policies written, of six per cent. as compared with the first half of 1924. Some of the provinces showed increases as high as nine per cent., as the case of Ontario.

Very satisfactory increases in both issued and paid for insurance are reported for the period by T. G. McConkey, general manager of the Canada Life, who observes that there is a growing demand for insurance for business purposes and especially for insurance to provide for succession duties; group insurance has also taken a new lease of life and is showing a very large increase over the same period of last year.

Business well in excess of the corresponding period of 1924 is reported for the Manufacturers' Life. Issued business was more than $32,000,000, being the largest in the company's history. A continuation of good business during the second half of the year with non-medical insurance, has been very satisfactory, so much so that the limit has been increased to $5,000.

The London Life reports total issues for the six months of over $31,000,000, an increase of nearly $4,000,000 over the first half of last year. An encouraging feature is referred to in the substantial improvement in conservation as the result of the emphasis being placed on this problem. During the early part of the year the company introduced a weekly premium policy and this form of contract has been very favorably received by the public.

Well in advance of the quota set for the period is the position of the Mutual Life of Canada at the end of the six-month period and this improvement is expected to continue throughout the balance of the year.

To Consider Insurance Against Bad Export Debts

LONDON.—Arthur Michael Samuel, M.P., parliamentary secretary of the department of Overseas Trade, has appointed a committee, under the chairmanship of Colonel Hon. Sidney Peel, to consider the question of insurance against bad debts in export trade. The committee which comprises representatives of the banks, accepting houses, insurance companies, Lloyds, the Association of British Chambers of Commerce, the Federation of British Industries, together with the comptroller-general of the Department of Overseas Trade, has, as its personnel:

Colonel The Hon. Sidney Peel, D.S.O., (Chairman) Chairman of the National Discount Co., Ltd; Chairman of the London Committee of the National Bank of Egypt.

J. Caulcutt Esq., General Manager of Barclays Bank.

Sir William H. Clark, K.C.S.I., C.M.G., Comptroller-General of the Department of Overseas Trade.

A. C. Gladstone, Esq., Director of the Bank of England, etc.

The Hon. Sir William Goschen, K.B.E., of Messrs. Goschens & Cunliffe. Chairman of the Sun Insurance Office.

Joseph Powell, Esq., General Manager of the Commercial Union Assurance Co.

Eustace R. Pulbrook, Esq., Deputy Chairman of Lloyds.

Gilbert C. Vyle, Esq., Deputy President of the Association of British Chambers of Commerce.

Colonel The Hon. F. V. Willey, C.M.G., C.B.E., M.V.O., President of the Federation of British Industries.

Some Improvement in Mortality Rate in June

A very slight improvement has been made in Canada in the mortality rate during the month of June, 1925, as compared with the corresponding period of 1924. The rate for June, 1925, has been 8.9 per 1,000, as compared with 9.0 for June, 1924. These figures are prepared by the Metropolitan Life having considerably more than two million policies in force in Canada.

For certain individual causes of death the rates, for June of this year, differ from those of June, 1924. An improvement is shown in diphtheria, measles and scarlet fever, pneumonia and other respiratory diseases and chronic nephrytis.

On the other hand, there is a slightly higher rate of mortality due to cancer, diabetes, cerebral hemorrhage and accidents—especially those due to automobiles. The rate for the latter has been practically double in June, 1925, of what it was in June, 1924.

There has been no improvement so far as the rates are concerned for tuberculosis and organic heart disease.

INTEREST ADDED TO THE TOTAL OF SUCCESSION DUTY

Insurance Best Way to Provide Against This Contingency

Interest Added to Heavy Tax Against Canadian's Estate

Edward D. Farmer died about a year ago, leaving $750,000 worth of real estate in Vancouver, on which estate the B. C. government has levied succession duties amounting to $257,000. Further, the province is trying to collect interest on this sum because it was not paid within the prescribed limit of time as it was not possible to settle up the estate.—Vancouver Sun.

The introduction of succession duties created a new need for life insurance. Large and even moderate estates have been seriously impaired and their settlement delayed by the lack of a provision to meet the contingency. In the case of the British Columbia estate described in the above newspaper article, over one-third of the property was claimed by the heavy tax.

Life insurance has been utilized to a great extent by those who have considerable estates, and who are foresighted enough to make provision to care for the tax and prevent their property from being disintegrated at a loss, says "Nuggets." It is unnecessary, and foolish, to curtail the estate by laying aside a sufficient amount of cash to cover the amount of the tax. The payment in a life insurance premium of a small percentage of the income from the estate will obviate the sacrifice of a much greater portion, at a time when the property most needs to be held intact, besides avoiding an indefinite amount of trouble and delay.

Most estates are of such a character that it is important, possibly vital, that they be held intact. With the provision of life insurance, the same contingency, Death, that creates a demand for ready money, provides the funds to meet it.

In this connection it might be pointed out that estates of life insurance, of whatever size, are not subject to income tax, succession duties, or any other form of taxation. Neither is life insurance, unless payable to the estate, subject to seizure for debts of the insured. While ordinary estates may become seriously involved through taxation, debtors' claims and legal proceedings, the life insurance estate is certain of immediate and full settlement, without trouble and without expense.

The Record of Fire Losses in Canada

Place	Property	Date	Loss	Insurance	Cause
Nova Scotia					
Windsor	H. Redden, barn	July 12	total	......	unknown
Shubenacadie	W. Ellis, barn	July 21	total	......	unknown
New Brunswick					
Moncton	G. Phillips, res.	July 16	heavy	......	explosion
Bull's Creek	W. Blackie, res. & shed	July 21	total	partial	unknown
Moncton	B. D. Farris, garage	July 20	total	......	unknown
Newcastle	Wetherall House, 2 barns & 2 sheds	July 16	total	partial	flue
Quebec					
St. Alexandre	L. Delorme, barn & machines	July 18	3,000	partial	......
Quebec	Boisland, res.	July 14	4,000	......	......
Beauceville	G. Boily, res.	July 16	4,000	covered	......
Quebec	Boislard, res.	July 17	heavy	......	......
Montreal	J. Parent, res.	July 17	3,000	......	def. wiring
St. Laurent	3 garages	July 20	total	......	unknown
St. Georges	H. Gilbert, res.	July 21	8,000	2,000	......
St. Norbert de Berthier	A. Laporte, barn	July 20	consider'ble	......	......
Ontario					
Niagara Falls	C. R. Johnston, store, res. and barn	July 20	25,000	covered	unknown
Hastings	D. McFadden, barn	July 16	total	......	lightning
Sault Ste. Marie	J. Lamming, lumber	July 21	2,000	partial	......
Nelson Twp.	W. T. Glover, barn and contents	July 20	10,000	partial	unknown
Vineland	Culver House Canning Co.	July 21	5,000	......	unknown
Wallaceburg	J. P. Johnston, barn	July 20	total	partial	......
Hamilton	Castle Gardens	July 18	heavy	......	......
Havelock	R. Hart, store	July 21	total	partial	unknown
Grimsby	J. L. Book, barn & contents	July 21	8,000	......	lightning
Burlington	W. & D. Marshall, barn & bldgs.	July 22	10,000	partial	lightning
Clifford	H. Kreuger, barn & contents	July 22	total	......	lightning
Penetang	B. Corbeau, machine shop	July 22	heavy	......	......
Meaford	Meaford Shoe Factory		30,000	......	unknown
Baden					
	J. L. Forler, planing mill	July 23	25,000	partial	spon. combus.
	Mrs. S. Weiler, residence				
	J. Hahn, shop				
	J. Hahn, shop and crops	July 24	heavy	......	sparks
Stirling	F. Sutherland, barn & cont.	July 23	total	partial	lightning
Freeman	W. T. Glover, barn & horses	July 19	10,000	partial	......
Sprucedale	J. McCrae, res.	July 6	total	partial	lightning
Atherton	D. Lloyd, res.	July 17	total	none	......
Kilmartin	A. L. Munroe, barn and shed	July 21	5,000	1,800	lightning
Saskatchewan					
Yorkton	F. Gleason, res.	July 12	500	covered	unknown
Alameda	T. E. Truscott, barn	July 15	total	partial	......
Regina	Can. Oil Co., plant	July 23	250,000	partial	......
Alberta					
Cadogan	A. Fischer, res.	July 6	1,300	partial	......
British Columbia					
Nelson	E. Stidle, barn	July 11	total	none	......
Nelson	Brassfield's boathouse	July 12	total	......	unknown
Irvine	Can. Nat. Rly. station	July 11	total	....	unknown
Eburne	J. Carter, res.	July 18	4,000	covered	unknown
Port Coquitlam	Pitt River Shingle Mill	July 14	heavy	......	......
Revelstoke	E. Thienpoint, res.	July 17	total	......	incendiary
Vancouver	National Paper Box & Carton Co., Ltd.	July 17	25,000	covered	unknown

INSURANCE LOAN DEFEATS PURPOSE OF LIFE POLICY

Should Only be Secured in Case of a Real Emergency

While the loan privilege in connection with a life insurance policy is a decided convenience and advantage under exceptional circumstances, it should be exercised with caution and judgment. Its abuse involves dangers which policyholders should appreciate and which should be pointed out by company representatives as a matter of service.

When a loan is secured it should be regarded merely as an extraordinary step to meet an emergency, otherwise it has the effect of defeating the very purpose for which the insurance was taken out. It is obvious that a policy against which a loan has been made will not fulfill the purposes for which it was first intended. The sum available in the event of death or at the expiration of the policy will not only be reduced by the amount of the loan secured, but the company is, of course, quite entitled to the reasonable rate of interest which must also be paid.

The purpose for which insurance is taken out is to provide for the great emergency of death or to take care of the declining years when earning power is gone or seriously impaired. Just as soon as a loan is secured against the policy that purpose is defeated in part at least. It creates a situation which is not only unsound for the insured but unfair to his dependents.

There are many instances which can be referred to as illustrating the dangers of securing a loan against the life policy. Of course, the intention is to repay it in a short time. Unfortunately all too often it is allowed to drag along. Then when death comes—and death so often gives no warning—the estate is impaired to the extent of the loan and dependents very often are left in an unfortunate position.

R. J. Davis Heads Winnipeg Life Underwriters' Assn.

WINNIPEG. — R. J. Davis, of the Mutual Life Assurance Co., has been elected president of the Winnipeg Life Underwriters for the coming year, succeeding J. H. O'Connor of the Sun Life. The latter in his retiring message made a strong plea for greater co-operation on the part of the life underwriters of the city. He pointed out the necessity of more members for the association, for unless it gets the whole-hearted support of the trade it cannot properly perform its functions as the trade organization of the life insurance salesman.

Friend L. Wells, superintendent of agencies of the Aetna Life, was the guest of honor. Statistics showed that Manitoba was a good field for insurance men, Mr. Wells said, the figures for May being 37 per cent. over the total for May, 1924.

Quoting several striking instances of how obstacles could be overcome, Mr. West urged upon his audience the necessity of making even greater efforts and of mingling the idea of service with their work. "Following the line of least resistance," he said, "makes men and rivers crooked. Always remember that the highest places have the steepest grades."

Besides the election of R. J. Davis to the presidency, A. L. Peddie was elected vice-president; G. M. Paton, secretary and C. W. Nash, treasurer. The board of directors for the coming year is as follows: C. Graham, R. I. Clancey, C. S. Turner, E. Henselwood and W. G. Muir.

Big Increase in Casualty Insurance in Half Year

The mid-year report of the Toronto Casualty Insurance Co. was of a satisfactory nature, new business written for the first six months of the year showing an increase of nearly forty per cent. over the corresponding period of 1924, and a claims loss ratio for the period of forty-one per cent. In the automobile department the company, during the half-year, wrote, net of cancellations and reinsurances, $242,000 in premiums which A. E. Dawson, the general manager, points out, as far as can be discovered, is the largest volume of automobile insurance transacted in this period among the companies doing automobile insurance business in Canada. $800,000.00 has been added to the reserves since the beginning of the year.

N. Y. SHIPPERS FEAR LOSS OF B.W.I. TRADE

Much Traffic May Be Diverted When Direct Service from Canada is Started

NEW YORK.—Some apprehension is felt by local shipping interests with regard to the probable outcome of the present trade negotiations between Canada and the British West Indies. It is felt that the subsidizing of direct ocean service between the ports concerned may divert a substantial volume of cargo now shipped to New York and thence by rail and water to Canadian points.

The situation as affecting New York was summed up at the recent Maritime economic conference held in Moncton, N. B., in which it was pointed out that exclusive of Cuba and Porto Rico, the trade of the Caribbean countries amounts to about $400,000,000 yearly, of which all but about $65,000,000 goes to the United States.

Two million four hundred thousand stems of bananas came into Canada last year, practically all through the United States with American duty added, and these bananas alone would have provided more freight than the Canadian West Indies service of the time could have handled. Royal Mail Steam Packet steamers and Canadian Government Merchant Marine vessels were then plying with largely empty holds, and the government of Canada was paying the former a subsidy and losing $200,000 a year on the latter.

The West Indies treaty just signed gives in the case of bananas alone a preferential duty of 50c. per stem. In addition to special schedules, all Canadian goods (tobaccos, cigars and cigarettes excepted) which are now subject to duty or which may be made subject to duty at any future time, shall have preferences ranging from 25 to 50 per cent., according to the colony affected.

Arrangements are now being made for adequate direct service from Canadian maritime ports to points in the West Indies, and all parties at Ottawa are determined that satisfactory transportation facilities must be worked out even if a large subsidy cost is the only solution.

INSURES NOSE FOR $50,000

NEW YORK.—Mrs. Blanche Cavitt, of Oklahoma City, was in New York the other day, with $50,000 insurance on her nose. She is a tester of perfumes and was en route from her home in Oklahoma City to Europe, there to sample some of the choicest scents that Paris can produce. So, in order to be safe against loss by the hazards of travel, she has insured her olfactory organ for $50,000 with Lloyds at a premium of $400 for a three months' trip.

EARTHQUAKE INSURANCE LICENSES

The Department of Insurance at Ottawa has issued licenses to the Insurance Company of North America and the Niagara Fire Insurance Company, to do earthquake insurance.

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OUT on the lakes where breezes blow and giant liners send blue waters swirling in their wake. Here is the ideal route to the west with all the comforts and luxuries of a big hotel always at command. From the moment you mount the gangway you know the "Noronic," "Hamonic" and "Huronic" are just like ocean liners. Staterooms have running hot and cold water and reading light over every berth. Parlor rooms with bath en suite. Spacious decks and magnificently fitted lounge, music, ball, reading and smoking rooms. There's nothing like them on the lakes. Sail from Sarnia to Port Arthur where trains await to take you to

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Three sailings weekly, leaving Point Edward Dock, Sarnia, Tuesdays, Thursdays and Saturdays at 4 P.M. (E.T.). C.N.R. special steamboat train leaves Toronto at 10.02 A.M. (E.T.) via Hamilton and London, direct to ship's side.

Ask about the Special Six-Day All-Expense Cruise, Sarnia to the Soo, Port Arthur, Duluth and return, including meals, berth and side trips—$77.75.

Ask any Canadian National Ticket Agent for information, reservations and tickets. In Toronto, apply Canada Steamship Lines, 46 Yonge St. or Canadian National Railways, Northwest Corner King and Yonge Streets.

Northern Navigation Company
LIMITED
Canadian National Route

BESTOS DEAL IS A SURPRISE TO THE BANKERS

on, Read & Co. Expected Merger Plan to Be Accepted

From Our Own Correspondent.

ONTREAL.—The Asbestos Cor- tion turned down the merger made by Dillon, Read & Com- , principally for four reasons, ding to statements issued.

st, because Dillon, Read & Com- would not underwrite the bond of the new organization. Sec- , because the bankers would not exactly under what terms and tions all companies were coming the merger, in other words, the interest which would be given of the companies for their erties. Thirdly, because Dillon, would give no guarantees that arious terms and conditions of greement would be fulfilled in uture, and fourthly, because the company would only have a con- g interest in three of the prop- , and because there was con- ble doubt as to whether these anies could eventually be ac- l in their entirety.

ere were other factors which d to influence the directors in g down the offer of the bank- among which was the fact that Asbestos Corporation was the asbestos operator which had a nstrated earning power, and the ors felt that they were being to exchange their securities for , the merits of which were not ly proven.

spite of the prevailing lower , the Asbestos Corporation l for the six months ending 30, before deducting taxes and iation, the sum of $286,000, as red with $216,000 for the cor- ding period of last year.

second unit which is being built company's mill in Thetford, it ected, will be completed by the the year, when costs should be rther lowered and earnings in- d. These improved earnings, d with the expectation of still mprovement, was an added fac- hich influenced the directorate ching the decision to terminate gotiations.

The Dillon, Read View

he other hand, it is understood illon, Read & Co. feel, that he negotiations were finally off, the Asbestos Corporation expressed itself as not being l with the terms and the con- ons which were to have been the shareholders. As to the ints raised by the president of bestos Corporation in his let- tockholders dated July 23, the ' attitude is understood to be e difficulty of synchronizing nsfer of titles to all properties included in the merger can be understood. It would ne- e a delay of many months be- tles to some of the smaller ies which are in liquidation ass through to the new amal- on. It is reported that the , too, are unwilling, and feel cessary and naturally undesir- at there should be a discus- the considerations which are ven to each company individu- n former merger efforts, this n one of the major causes of , and negotiations have al- een terminated abruptly as the companies cannot agree as to ount which each of the com- properties is worth. The bank- ve always been prepared to rite bonds of the merger, had en necessary, but by the pro- amalgamation the bonds would be used to retire other securi- exchange. Securities would hanged at par, whereas any ould necessitate the new com- tanding the discount.

e Proposed Capitalization

capitalization of the merger y, which, it was thought, have been accepted by the As- Corporation, and all the par- terested, is said to be as fol-

,000 6 per cent. 30-year first and ng bonds.

,000 7 per cent. first preferred

,000 6 per cent. non-cumulative preferred stock.

0 shares no par value common

asis of exchange proposed was ws:

he holders of outstanding 5 per onds of Asbestos Corporation be given the privilege of ex- such bonds for 6 per cent. refunding bonds of the merger.

ch share of the present six per n-cumulative preferred stock of Corporation would be ex- for one share of seven per cent. ferred stock, plus one-tenth six per cent. second preferred us one share no par value com- k of the merger.

ch share of the present com- ck of Asbestos Corporation exchanged for one and one- res of six per cent. second pre- ock, plus one share of no par mmon stock of the merger.

Brisbane leases for 21 years Tower 35-story apartment at f Park Avenue and 57th street Carlton Hotel for $7,847,000, or day. Lease carries ten-year option.

---

cable reports rush of rich in nd poor prospectors at newly old fields in Siberia, described hevik Klondike," in partially ed region northeast of Irkutsk olshevik government estimates 400 tons of gold available in f 6,000 square miles.

POST-Scripts

CANADA is north of the United States. But even this truthful generalization has an exception to prove it as a rule. One of Canada's large cities is directly south of one of the large cities of the United States. Windsor is so placed, by reason of the winding of the Detroit River, which is the international dividing water between Canada and the United States at the Essex frontier. The main street of Detroit is Woodward Avenue, and its general direction is north and south. If anyone fired a cannon south on Woodward Avenue, the shell would wreck the business district of Windsor.

* * *

THERE are other boundary line anomalies where American and Canadian soil meet. Consider Derby Line, Vermont, and Rock Island, Quebec, which are separate towns, but hardly visibly so. There are buildings in the community that are half in Canada and half in the United States. One wonders how it would work out to have an international hotel with the tavern in Canada and the cigarette counter in the United States. How convenient for guests!

* * *

UP IN Northern British Columbia is another international town that is said to be the only international sea port in the world. The Canadian mining town and port of Stewart, at the head of Portland Canal, joins the Alaskan town of Hyder. North of these two towns are many mines, and there are mining properties so close together that a pail of water thrown in the area would dampen both, and yet which draw their mining supplies from widely separated manufacturing plants because they are on opposite sides of the international boundary.

The circumstance is not without its embarrassment, for when the fabulously wealthy Premier mine built an aerial tramway to carry ore from the property to the docks it had to put part of the cable in Alaska, and this caused all sorts of trouble with the United States customs officials. And mining men say that there is danger of the underground workings of many of the mines boring across the imaginary line that makes so much difference in royalties, taxes, etc.

* * *

BUT the supreme paradox of boundary lines, so far as the editor of Postscripts has discerned, is the existense of a Canadian community where Canadian money was not accepted except at great discount not so long ago when Canadian dollars were selling considerably below par. Bob-Lo Park is an amusement place operated by an American steamboat company on Bois-Blanc Island in the Detroit River. Bois Blanc Island is entirely in Canada, but this seemed to be something that the concessionaries never knew, for American flags flew gaily all around the park without the sign of a Canadian emblem, and the profferment of a Canadian dollar bill in payment for a ride on the merry-go-round, or the purchase of an ice cream, brought a disdainful return of the bill with a request for American money, accompanied by some such remark as this: "Don't you know this is the United States, and we want real money over here?"

ONE of the proof-readers on The Financial Post brought a queer relic into the editorial rooms the other day. It was a copper medallion struck a quarter of a century ago to celebrate the coronation of King Edward and his queen. It has all the earmarks of an official, or at least semi-official, commemorative souvenir, yet in very fine letters on the obverse of the coin are the words, "Made in Germany." How much history has been written since that medal was struck!

"I GUESS we're making more progress than we think in solving our railway problems," said a passenger on board one of the Canadian National trains between Edmonton and Saskatoon.

He proceeded: "The last time I was out here was five years ago. We were coming along this same stretch and there were about a dozen passengers on the train. We all had a lot of fun out of a race between our train and a two or three-car passenger train on the Grand Trunk Pacific line over there. Probably it never occurred to us how much more our taxes were going to be as a result of just such races as that. We've cut out about all of those duplicating trains."

Incidentally, in the subsequent conversation, another traveler recalled riding from Saskatoon to Regina about the same time in 1920, when there were only two people in the sleeping car—himself and the porter.

HOW good is the average person at remembering faces? A Winnipeg department store is ready to say that people fall short of perfection in this respect. On May 24 last they ran a big photograph of Queen Victoria in their daily advertisement. The picture was not labelled nor were any "underlines" of any kind run with it. They were not considered necessary.

All the next day, customers in the store kept asking the clerks: "And who was the dear old lady whose picture you ran in your advertisement this morning?"

"Bootlegger's car seized with load of beer," read a headline in the Toronto papers the other day.

"There's a job for me," said an officer in each of the automobile financing companies. Seized cars are a problem to the financing companies in Ontario, for the Ontario Temperance Act empowers the guardians of the law to seize any vehicle used for the transport, illegally, of liquor. The cars seized are sold by auction without regard for any liens that may be on them. If a car, that is security for a discounted note, is seized and sold without the knowledge of the financing company, the latter has only the names on the note. As security for the note, the car is gone. The companies and the provincial officials have a sort of unwritten gentlemen's agreement that the companies' claims will be recognized if the attorney-general is notified in advance of the sale that there is a lien on the car. After the expenses of sale and prosecution, the balance is handed over to the financing company. But in order that claims may be lodged in time, the financing companies have to scan the press closely for news of seizures, and when they hear of one they hurry to get the serial number of the car and compare it with their own records.

A TRAVELER in England—if he is making his first visit there—is usually fascinated by the neatly assembled piles of coal along the track. He wonders where railwaymen get the time to pile blocks of coal as neatly as layers of brick.

He will see something similar on a few sections of Canadian railway in the West where the stones used for ballast across the prairies are arranged in fastidious symmetry beside the track, miles and miles of road bed affording evidence of painstaking—perhaps time-wasting effort — by someone.

Lately the magazines have carried advertisements of "pickles in patterns." Mrs. Housewife can buy jars of pickles that are exactly similar in the arrangement of the individual pickles, color and shape being followed perfectly.

All this costs something. A Canadian canner who puts a line of green beans in glass bottles has two brands. In one case, the long thin beans are arranged so as to show the form of a picket fence inside the glass wall of the bottle. In the other case, the same beans are poured into the same style of bottle, and that's all there is to it. It costs him 20 cents a bottle more to pack the beans artistically, and many people gladly pay the price.

Evidently industry has many blue stripes to its mail bags.

Pure Gold Dividend is Expected to Be Increased

The Pure Gold Manufacturing Company makes a very satisfactory report for the six months ending with June, showing an increase of 11½ per cent over the corresponding period of 1924. The company's net profits are understood to have improved substantially.

In view of the showing made some increase in the dividend on the no par value stock sold to the public some months ago is anticipated in accordance with the program forecast at that time. Dividends have been paid at the rate of 50 cents every four months or $1.50 per share annually and it is expected that the basis will be changed to $2 per share annually.

Not only has the company been making the satisfactory showing referred to but it is said to be in a position to take advantage of any improvement in general business conditions which may be experienced and which is being looked for this fall after the harvest season.

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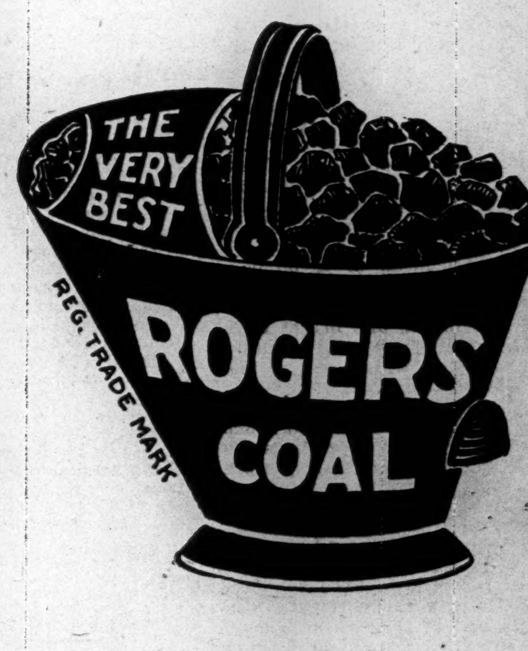

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YOU can't catch trout in the best trout stream with a tarpon hook, and the Florida Coast won't yield wall-eyed pike even though you dangle an active minnow on the end of your line. You go to different waters for different kinds of fish, and you use bait and tackle appropriate to the fish desired.

And if the fish you want are to be found only in a certain part of the lake or stream, you do not waste your time fishing in barren waters; you concentrate your efforts in the place where the fish are.

When you get back from your vacation, and resume fishing for orders, you may make, if you will, a profitable application of your angling wisdom.

The buyers of your goods are segregated in certain well defined trade and industrial groups. If you place your copy before the wrong group you waste your time and your money. If, however, you definitely fix upon the groups to be reached, pick the separate avenues of approach which you know command preferred attention, and then tell your story to each group in its own language, you will get results.

Business Papers with their specialized appeal to specialized fields offer you the ideal angling equipment. The advertising prototypes of Ike Walton have long since discovered that by using the unique selling power of Business Papers they can reach *all* prospective buyers, and none other, at an amazingly low cost.

No wonder that the returns from Business Paper advertising per dollar expended place this medium in a class by itself.

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SHOWERS END THE DROUGHT SPELL ON THE PRAIRIES

But Considerable Reduction of Yield as Result of Heat

WINNIPEG.—The reports of 314 out of 350 of the Manitoba Free Press crop correspondents up to Saturday, July 25, indicate that the past 20 days have taken heavy toll of the original fine promise of the 1925 crop of the prairie provinces. Heat and hot winds have accounted for practically all the damage, and from these Alberta has suffered the most severely and Manitoba the least, but all have suffered considerable loss. The weather now is generally cooler and the drouth has been broken at many points, but over 200 of the points heard from still require more rain. As rain began to fall after a portion of the reports had been received, districts were rechecked to make sure that all points receiving good rains were taken out of the lists needing rain.

The best features of the reports are that it is still raining at many points.

With the exception of one or two points in Saskatchewan, hail damage since last report has been very small. The rust scare so far has not materialized. Some 40 points in Manitoba report traces of stem rust, all slight and not spreading at present. Not more than six points in Saskatchewan admit even a trace of stem rust. All ideas of a bumper crop of wheat may as well be laid aside, but with a little more general rain and cool nights and bright days from now on there is still promise of a lot of good wheat out of the Canadian West this year.

Coarse grains have apparently suffered most from the heat and much of the acreage will be short in straw and head. Many oat and barley crops are late, but a small percentage of barley will be ready for the binders next week.

Flax is generally late and much of it is short in straw.

Corn is reported to have benefited by the hot weather. In irrigated districts corn and alfalfa are both good. Second growth of alfalfa coming strong. Cutting of all rye pretty general in all three provinces. Conditions by provinces are as follows:

Manitoba's Outlook

Out of 93 points queried in Manitoba 86 were heard from. Of these 27 have had quite enough rain; 11 would like a shower; 41 need rain and 6 needed rain badly.

There has been practically no hail in Manitoba since last report. Conditions at 40 points run from fair to good and excellent; 36 report some heat damage of which 25 per cent. at a few points is the highest. With regard to black stem rust, 39 points report traces of it, but little more than traces and no spreading at present and crop progressing pretty rapidly. At a few points in Manitoba a little wheat will be ready to cut July 31 and some barley will be cut Monday.

Reports indicate that flax is in the best condition in Manitoba, but considerable of it is late.

Saskatchewan

Out of the 169 points queried, 147 were heard from. Of that number 40 have enough rain; 11 would like rain, but not suffering; 71 points need rain and 18 additional points need rain "badly."

General conditions are reported fair, good or excellent at 40 points, and a few points report conditions ideal.

Some 20 points report losses from heat and dry weather as running from 5 to 50 per cent. and 70 report damage as slight, considerable or serious; 40 points state no losses from heat or dry weather.

From 20 points flax is reported as very poor; 31 points state no flax grown and the balance reports crops fair to good, but much of it very late, due in some cases to it being seeded to take the place of the crops eaten by cut worms.

Alberta

Alberta has suffered the most severely from the heat and dry weather. Many points are still in need of rain though heavy rains have fallen in the past 24 hours. Points heard from early have been rechecked, but up to midnight only 16 reported sufficient rain out of a total of 81; 19 still need rain badly; 40 need rain and 5 would like some. The drought, however, would seem to be broken, and probably the whole province will be wet down. Reports indicate that losses from heat run from "Slight" to 50 per cent., and one point reports 75 per cent. loss. Many correspondents state spring plowing and stubble crop beyond redemption, but fallow holding up well. Only 16 points out of 81 report conditions as generally favorable.

Hail damage very small, only one serious loss reported since July 4, this is at Delia, where a 40 per cent. loss on 12,000 acres is given.

The rains that have fallen, and which are still falling at many points, will help filling enormously, but a few points where acreage is quite large, report that there appears to be no berries forming in the heads; this may be due to intense heat before grain blossomed. Irrigated crops are reported good.

ONTARIO FIRE LOSSES

The report of the Ontario fire marshal for the month of June shows a loss of $974,689 in 836 fires, this being a decrease of $285,951 as compared with the corresponding period last year. Notable was the fact that the insurance loss for the month showed an even greater decrease, being $295,509 less than in the previous June.

RAILWAYS CUT COSTS AS INCOME DECLINES

Both Systems Feel Severe Effects of Drastic Decline in Grain Shipments

A material improvement is shown in the cumulative statement of the Canadian National Railways for the first half of the year, in comparison with the same period last year. Net operating expenses for the period are $1,126,916 better than at the middle of last year. This was brought about by a decrease in earnings of $9,319,815 or 8.1 per cent., and a decrease in expenses amounting to $10,431,731, or 9.3 per cent. As a result the operating net improved by 42.3 per cent.

In the case of the month of June operating revenues of the Canadian National Railways declined by 7.5 per cent., while operating expenses declined by 9.5 per cent. This made a net reduction in the operating expenses for the month of $494,007, or 53.3 per cent.

Following is the complete statement for the month of June and for the first half of the year:

	1925	Change
Oper. rev.	$18,204,662	d$1,473,405
Oper. exp.	18,637,038	d 1,967,412
Oper. deficit	$ 432,376	d$ 494,007
Six Months—		
Oper. rev.	105,543,743	d 9,318,815
Oper. exp.	101,801,397	d10,431,731
Op. net	$3,742,346	i$1.112,916

d—Decrease. i—Increase.

The Canadian Pacific Report

In the case of the Canadian Pacific Railway as well as with the government roads there was a falling off in the revenue on account largely of the drastic reduction in the size of the grain yield in the West last year. With the Canadian Pacific as with the Canadian National there was evidently a successful attempt to keep down expenses accordingly. For the six months period, gross earnings declined by $9,501,097, or 11.2 per cent., while working expenses dropped $6,908,760, or 8.06 per cent. This reduced net profits by $2,592,438, or 24.9 per cent.

For the month of June, there was a decrease of 11.03 per cent. in gross earnings, while working expenses dropped 6 per cent. leaving a decrease in net profits of 35.6 per cent. Following are the details:

	1925	Decrease
June—		
Gross earn.	$13,464,647	$1,670,985
Work. exp.	11,880,196	795,787
Net profit	$ 1,584,450	$ 875.198
6 Months—		
Gross earn.	$75,155,819	$9,501,097
Work. exp.	$67,358,173	$6,908.760
Net profits	7,797,646	2,592,438

ALUMINUM PLANT ON SAGUENAY TO OPERATE BY 1927

(Continued from page 1)

work. The Aluminum Company of Canada, the subsidiary company of the Aluminum Company of America, should be operating on the Saguenay by January, 1927. The ultimate electrical developments will be 800,000 horsepower. This, it is estimated, is sufficient power to manufacture the great proportion of the aluminum needs of the world.

Two hundred men have already started the work of clearing the ground over a large area at Chute a Caron and although the actual development work has not as yet gotten underway, the land is being cleared as quickly as possible so as to facilitate the installation of the construction material, which is being moved from the Grande Decharge, nearby, according to Hon. J. E. Moreau, minister without portfolio in the Quebec government, and representative of Lake St. John in the legislative assembly.

A decision as to the site of the large plants will be arrived at this week by engineers, who last week inspected the whole of the territory.

There are reports that the contract for the construction of the whole or part of the fleet of twenty ships will go to a Canadian shipbuilding plant. Negotiations are said to have been opened in this connection.

The Canadian Bank of Commerce

Dividend No. 154

Notice is hereby given that a dividend of Three per cent. upon the paid-up capital stock of this Bank has been declared for the quarter ending 31st August, 1925, payable at the Bank and its Branches, on and after Tuesday, 1st September next, to shareholders of record at the close of business on the 16th day of August, 1925. The transfer books will not be closed.

By Order of the Board.

JOHN AIRD,
General Manager.

Toronto, 17th July, 1925.

The Royal Bank of Canada

DIVIDEND No. 152

NOTICE is hereby given that a DIVIDEND OF THREE PER CENT (being at the rate of twelve per cent per annum) upon the paid-up capital stock of this bank has been declared for the current quarter, and will be payable at the bank and its branches on and after Tuesday, the first day of September next; to shareholders of record at the close of business on the 15th day of August.

By order of the Board,

C. E. NEILL,
General Manager,

Montreal, Que., July 14, 1925.

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE per cent., upon the paid up Capital Stock of this institution has been declared for the current quarter, payable on and after Tuesday, the FIRST day of SEPTEMBER next, to Shareholders of record of 31st. July, 1925.

By order of the Board.

FREDERICK WILLIAMS-TAYLOR,
General Manager.

Montreal, 21st. July, 1925.

Consumers' Gas Co. Buys Most of Pipe From Canadian Firm

Company Declines to Enter Into Controversy on Question of Order Given in Europe — Make Gas Pipe

Should a public service company import supplies from Europe or buy entirely in Canada? The question has again arisen in Toronto in connection with the purchase by the Consumers' Gas Company of a quantity of pipe made in the Saar Valley.

It will be recalled that a similar question came up in Toronto some months ago. The city called for tenders for pipe. A French firm submitted the lowest tender, but their bid was ignored and the contract went to a Toronto firm that had asked a higher price. The city council justified its action on the ground that the benefit to the city of having the work done in Toronto would be greater than the additional cost being paid.

The action of the city was at that time criticized by business houses who felt that the city had no right to add one cent to the tax burden to keep business in Canada, especially when the city's good faith in connection with the tender system was also going to be brought into question.

Some of the Criticism

Now the situation is reversed, and it is the Consumers' Gas Company, a private company, rather than the city that is being criticized for sending business outside of Canada. The daily press has by implication condemned the transaction, and Canadian Machinery, which may be taken as representing the Canadian metal industry's side of the question, states:

"The futility of a 'Made-in-Canada' campaign is at once apparent when a public service corporation imports the 'cheapjack' products of Continental Europe.

"In defense, the Gas. Co. claim that the bulk of their orders in the past year have been placed with the National Iron Corporation of Toronto, now operating at capacity. There are, however, other firms in Canada engaged in the manufacture of pipe, firms with their activities restricted owing to insufficient business, with workmen deprived of employment through the unfair competition of 87-cent-a-day labor."

The reply of Arthur Hewitt, general manager of Consumers' Gas, to the criticism that is raging, indicates definitely that the company as a business institution must be run in the best interests of the shareholders. It also indicates that when Canadian products are available at fair prices that they are purchased by the company. Mr. Hewitt said:

"Let them talk till they're black in the face. We cannot and will not run our business through newspapers. Seven-eighths of the pipe we have used this year has been bought from the National Iron Corporation of Toronto, and their foundry is running full time, turning out all the pipe it possibly can."

The whole controversy seems to support the view of the leaders of the latest "Made in Canada" campaign, which originated in Quebec this spring, that the plea to buy goods made in Canada must be backed by evidence of equivalent quality and equal prices if it is to succeed.

INCREASE IN PRODUCTS OF CANADA'S FORESTS

Estimated Value of Output Rose to $197,459,331 in 1923 —Growth of Industry

The importance of Canada's forest resources and the rate at which they are being exploited is shown in the recent estimate of the total primary forest production in the Dominion for 1923, made by the Dominion Bureau of Statistics. The total estimated value of all primary products of the forest is $197,459,331, an increase of 15.6 per cent. over the 1922 total of $170,850,096. The extent to which the forests are being depleted in the process of exploiting can be seen in the estimate that the total primary forest production for 1923 involved the cutting of 2,671,054,862 cu. ft. of standing timber. The addition of the volume of material destroyed by fire, insects, and other destructive agencies would bring the total drain on Canada's forests to more than five thousand million cubic feet per annum.

In the 1923 production logs and bolts for domestic manufacturers—the raw material of the saw-milling and allied industries—again head the list of products for Canada as a whole with a total value of $69,352,821. Pulpwood for use in Canada's pulp and paper mills comes second in point of value with a total of $43,594,592. Firewood with a total of $38,723,272 stands third, and pulpwood for export follows with $13,525,004. Railway ties were cut to the value of $13,228,547.

The following tables show the primary forest production by provinces and by products for the year 1923:

BY PROVINCES

Provinces	Equivalent volume in standing timber Cubic feet	Total value $
Canada	2,671,054,862	197,459,331
Quebec	867,638,706	65,065,810
Ontario	725,269,084	58,813,733
Brit. Columbia	550,927,540	40,815,407
N. Brunswick	220.302,953	17,718,437
Nova Scotia	107,414,329	6,570,349
Manitoba	56,411,104	2,922,989
Alberta	77,755,075	2,754,014
Saskatchewan	50,387,169	2,132,220
P. E. Island	14,948,902	666.372

BY PRODUCTS—QUANTITY

Products	Unit	Quantity	Value
Logs and bolts sawn	M ft. b. m.	4,097,720	$69,352,821
Pulpwood used	cords	3,270,433	43,594,592
Firewood	cords	8,975,480	38.723,272
Pulpwood exported	cords	1,384,230	13,525,004
Railway ties	No.	14,764,830	13,228,547
Logs exported	M. ft. b. m	260,421	5,095,168
Square timber exported	M. ft. b. m.	143,105	4,037,030
Telegraph and telephone poles	No.	740,119	2,998.852
Mining timber	M. lin. ft.	65,218	1,615,667
Fence posts	No.	13,623,392	1,423,478
Wood for distillation	cords	56,310	540,541
Fence rails	No.	5,195,801	444,189
Miscellaneous exports	cords	176,426	1,723,683
Miscellaneous products	cords	124,944	1.156,487
Total			$197,459,331

Lake Shore's shares touched a new high at $6.20 this week. Lake Shore's financial statement is due to appear within a short time although it is a rather irregular document. That it is going to be a good report can be judged from the quarterly statements that have been issued.

CITY OF EDMONTON

Alberta, Canada

Notice is hereby given that all debentures of the Series "I" maturing October 1st, 1929, are hereby called for redemption as at October 1, 1925, and further the debentures of the Series "I" will not bear interest after October 1st, 1925. Payment will be made at the Imperial Bank of Canada at Edmonton, Alberta, or Toronto, Ontario, or at the Bank of the Manhattan Company in the City of New York at holder's option.

F. BARNHOUSE,
City Treasurer.

Edmonton, July 21st, 1925.

TENDERS FOR PULPWOOD AND TIMBER LIMITS

TENDERS WILL BE RECEIVED by the undersigned up to and including the 10th day of September, 1925, for the right to cut pulpwood and such other classes of timber, as the stipulated conditions may require on certain areas situated in the following regions:—

(1) The East and West sides of Lake Nipigon, Thunder Bay District.
(2) The watershed of Kapuskasing River District of Cochrane.
(3) The watershed of Mattagami River, District of Cochrane.
(4) The watershed of Ground Hog River District of Cochrane.

FOR FULL PARTICULARS, as to Terms and Conditions of Tender, and Sale, apply to undersigned.

JAMES LYONS,
Minister of Lands and Forests,
Toronto, Ont.

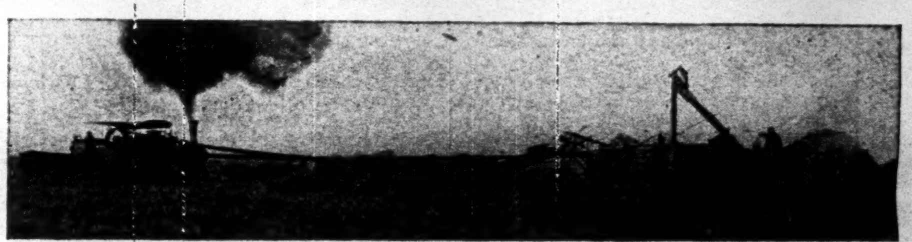
N.B.—No unauthorized publication of this Notice will be paid for.

Toronto, June 9th. 1925.

Lambton Golf Stock

One share of Lambton Golf Club stock, Toronto, wanted at reasonable price. Send particulars to

Box 100
FINANCIAL POST, TORONTO



The Mighty, *Modern* West

Its problems and possibilities will be discussed in the Prairie Provinces Number of The Financial Post

NO LONGER is it possible to block the great prairie provinces in an all-inclusive picture, as a great farm. Yet at the back of a good many minds, that picture still persists.

It is true that the problems of the grain grower and mixed farmer are still, and always will be, vital problems; but there are a multitude of related issues that are growing in importance that are little understood by the majority of Canadians.

It is the intention in this issue, devoted especially to this great section, to present many of these important problems. It will not be a boom issue. It is not conceived with the idea of propagating any false note of optimism. But it will present to business men, bankers, merchants and other community leaders a picture of the sturdy prosperity of this section; will deal with its great and growing opportunities; and the steady enlargement of its activities and interests.

It will present a true picture of Western conditions from every angle. The editorial staff writers of The Financial Post will cover the provinces to secure this information, and to secure it at first hand. J. W. Tyson, editor of The Post, a man with a western background, is himself visiting all the important western centres in connection with this issue.

The issue, we believe, will be a contribution to the history of the growing West, and to the cause of Canadian unity.

These are Some of the Topics that will be Discussed:

Transportation Problems in the West.
Need for Aggressive Immigration Policy.
The Western Viewpoint on the Tariff.
Industrial and Power Development on the Prairies.
The Coal Resources of Alberta.
Agricultural Resources of the Provinces.
The Possibilities in Mixed Farming.
Manitoba's Chances to Provide Canada's Next Great Gold Camp?
Briquetting Lignite Coal in Saskatchewan.
The Industrial Possibilities of the Alkali Lakes.
The West's Claims to Its Natural Resources Not Yet Handed Over.
The Future of the Prairies as a Paper Producer.
The Developments in the Production of Sugar Beets, Dairy Products, Fruits and Honey.

These topics will be supplemented by others suggested to the investigators on the ground.

ADVERTISING RATES

One page, 1,600 lines, with 100 copies of the issue	$350
One half page, 800 lines with 50 copies	$175
One-quarter page, 400 lines, with 25 copies	$ 90
One-eighth page, 200 lines, with 12 copies	$ 45

Cost of writing copy, art work and engravings included in these figures.

For regular advertisers contract rates apply.

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